

## British Gas Council Tax Rebate Scheme for Home Insulation

### Operations, item 10

<b>Committee:</b>	<b>Operations</b>	<b>Agenda Item</b>
<b>Date:</b>	<b>29 June 2006</b>	<b>10</b>
<b>Title:</b>	<b>British Gas Council Tax Rebate Scheme for Home Insulation</b>	
<b>Author:</b>	<b>Jake Roos, Energy Efficiency Surveyor, 01799 510 511</b>	Item for decision

---

### Summary

I propose that the council work with British Gas to provide a council tax rebate to residents in private housing who have insulation work carried out on their house.

#### Background

The Council has a duty under the Home Energy Conservation Act 1995 to monitor and seek to improve the energy efficiency of all housing in the District, and report progress annually to the Secretary of State. We have a target of achieving a 30% improvement in energy efficiency by 2010 compared to 1995.

Currently progress towards this goal stands at 7.5% improvement, however this figure is thought to be a substantial underestimate, and improved surveillance this year is likely to result in this figure being revised upwards substantially. Despite this, it is likely there will still be some way to go in order to meet the target.

The council has supported privately run insulation schemes in the past in order to facilitate residents improving their energy efficiency. These schemes are funded by energy utility companies under their 'Energy Efficiency Commitment' obligations. The funding means that vulnerable or 'priority group' householders can get insulation work for free, and so-called 'able-to-pay' householders can get insulation work (loft and cavity wall) at a heavily discounted price. Utilities like to work with local authorities to promote their schemes as this gives them added credibility. Often householders think such offers are 'too good to be true' and are wary of being taken advantage, making them reluctant to get involved or find out more.

Our involvement promoting some specific insulation schemes worked very well over the winter, but this came to a halt when these schemes and most across the country had their funding cut by the utility companies earlier this year. Only limited grant funding for the 'able-to-pay' sector is now available, and it is mainly through the energy utilities' national insulation schemes.

#### The Scheme

British Gas, despite reducing funding in other areas is continuing its 'council tax rebate scheme' for insulation. This scheme was originally piloted by Braintree DC but now has been refined and 'rolled out' to over 40 local

## British Gas Council Tax Rebate Scheme for Home Insulation

### Operations, item 10

authorities across the UK. I propose that we become part of this scheme to continue progress towards HECA targets.

The way it works is simple – Uttlesford promotes the scheme to residents including the British Gas insulation phone number and a special media code that the resident must quote. Residents get the work done and they pay the installers. The grant from British Gas is partly delivered as a discount on the price they pay. British Gas notifies UDC of residents that have had work completed in a regular report. UDC invoices British Gas for £50 per customer (the remainder of the grant). British Gas pays and then UDC credits the resident's council tax account by £50, or more if the Council wants to 'top up' the grant from another source (For example Braintree DC 'tops-up' by an additional £50 to bring the rebate up to £100). Rather than reissuing council tax invoices, the credit will appear on the resident's bill the following year.

The scheme has been very successful wherever it has been run, since most people find the idea of a council tax discount appealing.

I have already met and discussed the scheme with British Gas and with the council tax staff (Sue Ellis and Cashiers) who would administer the rebates and there seems to be no practical reason why it cannot proceed. Unless the Council wishes to top-up the rebate, there would be no financial implication for the council and only a small implication for staff time. Promotion of the scheme would be part of activity that the council would undertake in any case.

All going well, I estimate the scheme would result in around 300 installations of insulation measures this financial year, although this is difficult to gauge. The offer of a more generous rebate would be likely to increase uptake.

#### Things you should know

- Insulation would cost (including grant but not including the council tax rebate):

Cavity Wall - mid terrace and semi-detached	£250
Cavity wall - detached	£275
Loft insulation all properties 200mm or 250mm up to 51msq	£274
- Including the rebate, these prices are better than most that are available at the moment. However, they are not better than they were last winter, when nationally grants were more generous.
- The grant for the rebate from British Gas is a flat £50, whether the resident gets loft insulation, cavity wall insulation or both.
- The offer is only for private householders and private tenants, with landlord's permission.
- People that are eligible for free insulation (priority group – the vulnerable) would not be eligible for the council tax rebate as well.
- The scheme is not retrospective - people that have already had their insulation done through an earlier scheme cannot receive the council tax rebate.

## British Gas Council Tax Rebate Scheme for Home Insulation

### Operations, item 10

- The council tax rebate is only available for Uttlesford residents that get insulation work through the British Gas scheme and quote the correct media code.
- The insulation installers British Gas will use are reputable. If anything does go wrong with the insulation job, responsibility falls to British Gas or the installer, not the Council. However, the Council will help to resolve problems for residents through its relationship with British Gas.
- British Gas cannot guarantee the longevity of the scheme or that prices will not change, however, this is typical for any EEC-funded insulation scheme.
- The scheme only is only for loft insulation and cavity wall insulation upgrades. People in houses without cavity walls or accessible lofts will not be able benefit from a grant through this scheme.

### Recommendations

I recommend that the operations committee support this scheme with the necessary staff resources and allow council tax credits to be given in the manner described. The Operations Committee should also consider making financial resources available to 'top-up' the rebate to make the offer even more attractive. This funding could be provided for a fixed number of installations on a 'first-come, first served' basis: e.g. first 400 installations x £25 top up = fixed budget of £10,000.

### Background Papers

None

### Impact

Communication/Consultation	<b>Relevant staff consultation carried out</b>
Community Safety	<b>Checked. Insulation installers are vetted by British Gas. No other possible community safety issue</b>
Equalities	<b>Scheme is designed for 'able-to-pay' market but promotion will also attract interest from 'priority group' people that can benefit from free insulation. Information about scheme can be provided in different languages, for partially sighted, etc.</b>
Finance	<b>Checked with Phil O'Dell. If the scheme is run using British Gas funding only, no impacts. If UDC decide to 'top-up' the rebate, the financial impact will be whatever budget is provided</b>

## British Gas Council Tax Rebate Scheme for Home Insulation

### Operations, item 10

Human Rights	<b>Checked with Michael Perry, no impacts</b>
Legal implications	<b>Checked with Michael Perry, no impacts</b>
Ward-specific impacts	<b>None</b>
Workforce/Workplace	<b>Checked with Carole Hughes, Mike Brean, council tax staff. Small staff-time implication, not likely to have a significant impact.</b>

### Situation

1

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
High number of enquiries initially	Moderate	Delays in having measures installed	Timing promotional activities to prevent peaks in demand
High uptake overall	Moderate	Any 'top-up' budget if provided is exhausted prematurely	Provide reserve 'back-up' budget to be used if necessary OR advertise fact that higher rebate is a limited offer to manage expectations
Residents who have already had insulation work done complain they cannot get rebate	Small number are likely	Possible negative press for Council	Make clear in promotional material that only new insulation works under BG scheme can get the rebate  In individual cases, point out that resident probably got a better price overall even without rebate if done last winter
British Gas withdraw support for scheme	Low – moderate (less likely than with other schemes)	Some people hear of offer but miss out  Printed promotional materials are made obsolete	Switch to a different partner utility to provide a similar offer  Limit print runs to minimise potential wastage from obsolescence