

<b>Subject:</b>	Explanation on the Energy Efficiency Schemes available to residents in Rossendale	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	29 <sup>th</sup> November 2017
<b>Report of:</b>	Housing and Regeneration Officer	<b>Portfolio Holder:</b>	Health and Housing
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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1.	<b>RECOMMENDATION</b>
1.1	That Members support this Council's involvement with the Cosy Homes in Lancashire (CHiL) programme and Energy Efficiency Schemes.

## 2. PURPOSE OF REPORT

2.1 The following report is to brief Managers on the Energy Efficiency schemes available to residents through Cosy Homes In Lancashire (CHiL) and its relationship with other energy efficiency and affordable warmth initiatives.

## 3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A clean and green Rossendale:** our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 Failure to participate in the scheme effectively would mean opportunities to reduce fuel poverty in Rossendale would be missed.
- 4.2 There is little staff capacity to take on administration and monitoring, which currently results in inadequate local advertising and promotion of energy efficiency opportunities. This could result in future low take-up in Rossendale, but we will ensure that effective partnership working takes place and relevant information is prominent on the website and circulated to partner organisations.
- 4.3 Administration issues are covered within most CHiL schemes. For example, Firefly is the procured administrator for CHiL who will now handle all the phone calls, website enquiries and community promotion of the scheme. For the Fairerpower scheme, OVO carry out all marketing, provide strong community engagement and a full suite of marketing materials

including posters on side of buses. For monitoring outcomes they will provide numbers switched and the location of switch. In addition MSV are paid a management fee to monitor, promote and administer the Affordable Warmth funding on behalf of the Council

- 4.4 Fairerpower -Red Rose Energy will be promoted throughout Lancashire even if we do not participate. Therefore Rossendale residents may switch but we would not receive a payment unless we were signed up.
- 4.5 The Warm Homes Fund requires the Council to sign a Memorandum of Understanding. In early 2016 the Council chose not to sign the MoU for the Central Heating Fund because if methods of mediation failed over any problem installations the costs of remediation would have to be shared out between the participating authorities.
- 4.6 Conversations with LCC have indicated that the MoU for Warm Homes Fund will be the same as the one used for the Central Heating Fund, therefore an element of risk is still there. Feedback from LCC regarding the administration of the Central Heating Fund has not led to any cost sharing claims. Nevertheless it is accepted that there is always a residual but minimum risk.
- 4.7 Poor marketing could result in confusion among members of the public. A press release would have to go out informing residents of partners who are involved with CHiL and the Council are not affiliated to any other Energy Efficiency Company.

## **5. BACKGROUND AND OPTIONS**

- 5.1 Rossendale Council is part of the CHiL initiative which comprises of all the Councils in the County. CHiL was established in 2015 as a brand under which energy efficiency schemes are delivered pan-Lancashire. It is supported by the 12 district and two unitary Councils in Lancashire as well as the County Council and seeks to maximise ECO funding for Lancashire residents. In particular it aims to support those households in fuel poverty and vulnerable to the effects of living in a cold home.
- 5.2 ECO is an obligation on the main energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures. It was first introduced in January 2013 replacing previous government grant schemes for boilers and insulation.
- 5.3 The second phase of ECO (ECO2) finished at the end of March 2017 and, following a short consultation, the Department for Business, Energy and Industrial Strategy (BEIS) issued guidance in January 2017 for what is now known as 'ECO2t' (ECO 2 transition) which will cover a transition period from 1 April 2017 to 30 September 2018. The Government expects to consult on the future of the scheme post-October 2018 ('ECO3') later in 2017.
- 5.4 All participating Local Authorities (including Rossendale) have signed a Statement of Intent developed with the intention of supporting CHiL to participate in ECO2 transition and specifically the flexible eligibility it offers. This has been published on the Council's website as part of the requirement to enable ECO-Flex funding to be claimed.
- 5.5 In addition and since Autumn 2013 there is also the Public Health Affordable Warmth grant and more recently the County Council's Green Energy Fund Affordable Warmth grant. Both grants have supported district Councils to provide contributions to facilitate measures where ECO does not fully cover the entire cost, or to fund measures for vulnerable residents who do not meet the strict eligibility criteria, which are based exclusively on private tenure households in receipt of certain means-tested benefits.

5.6 The following gives a brief description of the various schemes available to Rossendale residents and delivered through CHiL and the Green Energy Fund.

**5.7 Fairerpower -Red Rose**

A scheme has been established with the ambition of tackling fuel poverty across Lancashire, by offering a local alternative to the Big Six. The scheme will help residents to save money, build awareness of fuel switching and particularly to prevent and reduce levels of fuel poverty.

Many residents are paying over the odds for energy as they haven't switched for years, so this is a way of offering an alternative that can give more back. By setting up a local alternative to the Big Six, Fairerpower – Red Rose can provide competitive rates and drive down prices locally.

Fairerpower - Red Rose is a not-for-profit organisation. It is a partnership covering Lancashire, formed between Preston City Council and The Skills and Growth Company, and wholly owned by Cheshire East Council. Cheshire East Council controls the tariff and the marketing of the Fairerpower tariffs. OVO provide all energy services from billing to buying the energy to customer services. There are no shareholders or bonuses, and any profit goes straight back into the local community

For every switch there is a modest revenue stream for the participating Local Authorities. For example, if a Rossendale resident switches, Preston receives £3.00 and £2.00 is pass-ported back to Rossendale.

**5.8 Able To Pay**

E.ON Energy Installation services are offering home energy improvements and grant funding and 0 % finance (spread over a period of time) for residents who are not on qualifying benefits, and own or privately rent their home. The scheme fills a gap for those who traditionally would not get support from other grant mechanisms.

**5.9 Affordable Warmth (Green Energy Fund)**

In addition to the above CHiL programmes there is also the Affordable Warmth funding. As mentioned in the background to this report, in 2016/2017 Lancashire County Council made funding available to district Councils to deliver high impact affordable warmth interventions to individuals who are the most vulnerable to harm from cold or damp homes. Rossendale participated in the scheme and received £27,979 of funding. The project was delivered in partnership with Mosscares St Vincent's (MSV) Homecare and Repair Team.

5.10 Funding for this 2017/2018 will be allocated based on Rosendale's latest fuel poverty figures. This year's allocation is £29,631.

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

6.1 Council has previously incurred £6.4k in total in previous years in support of CHiL. Any financial or resource implications arising from the current proposals will be contained within existing budget resources.

**7. MONITORING OFFICER**

7.1 The Council must ensure that the delivery partner in relation to the Affordable Warmth project is procured in line with the Council's Contract Procedure Rules and all relevant legislation and guidance.

## **8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

- 8.1 Consultation has been undertaken with the Portfolio Holder and Management Team.
- 8.2 As part of the development and implementation of the schemes outlined above, communication and community engagement will be undertaken as appropriate.
- 8.3 This report provides an outline of the proposed schemes, it is not determined therefore, the content of this report will not have any adverse or disproportionate impacts under the Council's Equality Policy or associated equality duties, and has not been assessed for equalities impacts.
- 8.4 Each scheme will be given consideration to equalities specifically related to that scheme in a relevant and proportionate manner.

## **9. CONCLUSION**

- 9.1 The previous decision not to sign the MoU and participate in the Central Heating Fund project was strongly influenced by the Council's experience in managing other projects. However, there are both risks and potential benefits if the Council participates in this scheme.
- 9.2 CHiL and the Affordable Warmth Fund offer a large sum of money to address fuel poverty issues. There are significant benefits for Rossendale residents because of the nature of the housing stock.
- 9.3 The project is likely to be most beneficial to Districts who are able to actively engage in it. As a minimum this should involve good publicity being given to the scheme via the Council's website, social media, One Stop Shop and through community events. Greater benefits beyond this are likely to be achieved only by allocating additional officer time.
- 9.4 To counteract the lack of resources, it is important that there is effective co-ordination and communication between the different agencies responsible for provision of energy efficiency advice and physical measures. The Council can play an important coordinating role ensuring this occurs.
- 9.5 A recent meeting has already taken place with Firefly and EON to discuss working closely together and a communication plan. It was agreed because of previous issues no cold calling would take place, but EON would provide funding for mail shots.

No background papers