

**Cheltenham Borough Council**  
**Cabinet 16 July 2013**  
**Green Deal Delivery**

<b>Accountable member</b>	<b>Cabinet Member Sustainability, Councillor Roger Whyborn</b>
<b>Accountable officer</b>	<b>Mark Nelson, Enforcement Manager</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	This report recommends continuing partnership arrangements with Severn Wye Energy Agency to assist with the Council's Affordable Warmth Strategy and Home Energy Conservation Act (HECA) reporting requirements and to increase the take up of sustainable energy retrofit measures by the provision of a local support hub. The hub will provide advice, outreach and marketing and supply chain activities aimed at increasing the take up of energy retrofit, ECO (Energy Company Obligation) and Green Deal activity in the Cheltenham area.
<b>Recommendations</b>	<b>Cabinet agrees to the authority entering into a service level agreement (Appendix 2) until 30 March 2015 with Severn Wye Energy Agency for the provision of energy efficiency related services.</b>

<b>Financial implications</b>	<p>The cost to Cheltenham of the partnership arrangement is £10k per annum for the financial years 2013-14 and 2014-15. Funding can be drawn from the existing capital budget currently used to fund energy efficiency grants. There is a budget of £60k in 2013/14, and under spend on 2012/13 budget of £40k will also be made available, totalling £100k.</p> <p>The SLA quotes costs for works outside of the agreement. Should these be incurred they will have to be absorbed within existing budgets.</p> <p><b>Contact officer: Nina Philippidis, Accountant</b>  <b>nina.philippidis@cheltenham.gov.uk, 01242 775221</b></p>
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<p><b>Legal implications</b></p>	<p>The Service Level Agreement requires the Council to pay to SWEA £20,000 and therefore the costs exceed the requirements for which a competitive tendering process is required. These requirements may be waived where the services are of a unique or specialised nature or similar to or compatible with an existing provision so as to render only one or two sources of supply appropriate (contract rule 6.1.1). The report author considers that it is the currently the case with this proposed pilot project, but competitive tendering may be viewed appropriate at the end of the initial two year period.</p> <p>The Homes Energy Conservation Act 1995 (the Act) requires local housing authorities to report to the Government setting out energy conservation measures that the authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area.</p> <p>The Act requires authorities to have regard to guidance issued by the Secretary of State. Part 2 of the Guidance states that local authorities should, when producing their reports and where appropriate, have regard to measures that take advantage of financial assistance and other benefits offered from central Government, including amongst others, Green Deal. Entering into this SLA will assist the Council in complying with its reporting requirements under the Act.</p> <p><b>Contact officer: Donna Ruck, Solicitor</b>  <b>donna.ruck@tewkesbury.gov.uk, 01684 272696</b></p>
<p><b>Key risks</b></p>	<p><b>See Appendix 1</b></p>
<p><b>Corporate and community plan Implications</b></p>	<p>The project directly contributes to <i>strengthening our communities and strengthening and protecting our environment</i> by giving people access to decent, warm and affordable housing, promoting energy saving initiatives and reducing carbon emissions.</p>
<p><b>Environmental and climate change implications</b></p>	<p>The project will directly contribute to the protection of the Environment and to the initiation of energy saving initiatives to reduce carbon emissions</p>

# 1. Background

## 1.1 Green Deal

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Central to the Green Deal is a finance mechanism that will allow access to the finance needed for the improvements with repayment, in instalments, attached to the electricity bill.

Underpinning the delivery of the Green Deal is the ECO (Energy Companies Obligation). ECO will place one or more obligations on energy companies requiring them to generate a specific amount of credit by facilitating the installation of energy efficiency measures in homes in Great Britain before a set deadline. ECO has been designed to fit within the Green Deal framework and provide support, in the domestic sector, where Green Deal finance alone is not enough.

The Department of Energy and Climate Change (DECC) suggests potential Local Authority Models for Delivering the Green Deal.

These include:

1. **Local Authority as a Green Deal Provider**  
Local authorities might raise finance themselves (sources might include the Public Works Loan Board or commercial sources) either individually or in a consortia to deliver the Green Deal locally.
2. **Local Authority as a Green Deal Partner**  
Local authorities might look to form partnerships with one or several commercial Green Deal providers to deliver to their local residents and businesses.
3. **Local Authority as an advocate for the Green Deal**  
A local authority may facilitate and/or support commercial Green Deal provision in its area.

DECC stresses that these models are not mutually exclusive. Councils might adopt one, all, or part of these approaches to deliver the Green Deal.

## 1.2 Severn Wye

Severn Wye Energy Agency is a sustainable energy charity established in 1999, Based in Gloucestershire, SWEA have developed a portfolio of projects and services to promote and support energy efficiency, renewable energy and the alleviation of fuel poverty, with a strong focus on partnership work, including with local, national and European organisations.

Successful areas of activity include programmes with small businesses, schools, tourist and leisure facilities, prisons and community groups – but SWEA's largest area of activity for more than a decade has been advice to home owners and the delivery of both behavioural and retrofit energy saving programmes.

The Warm and Well programme was initiated by Severn Wye Energy Agency in 2001, working with a partnership of the six Gloucestershire Districts to promote the health benefits of energy efficiency in the home. The programme delivered energy efficiency improvements to local homes, through a partnership of local and health authorities. South Gloucestershire joined the programme in 2002 and Wiltshire Council initiated a similar programme in 2011.

The programme has succeeded in making improvements to over 36,000 local homes to date, through a proactive programme of local outreach and drawing in fuel supplier finance and integrating it with other financial sources, such as private sector housing grants.

A new approach is now necessitated by several factors:

- The loss of private sector housing grants and general reduction in availability of public sector finance in the face of on-going recession, necessitating the development of a self-financing model for the next phase
- The need to deliver a wider range of measures in existing homes than the quick return ones supported by such programmes to date (mainly cavity wall and loft insulation, and gas boiler upgrades) in order to reach carbon and fuel poverty targets
- A change in the targets for the fuel supplier obligation to achieve energy efficiency/carbon emission reductions in existing homes at the end of 2012
- The development of the government's Green Deal framework to set standards for energy assessments, and retrofit products and installations, along with a system for long term loans repayable through electricity bills.
- Requirement for Local Authorities to report via HECA (Home Energy Conservation Act) on activities within their areas to increase energy efficiency and reduce fuel poverty

### **1.3 Warm and Well Plus**

The proposed partnership arrangement will be known as Warm and Well Plus to run as a two year pilot project.

## **2. Reasons for recommendations**

- 2.1** Cheltenham has had successful partnership arrangements with Severn Wye Energy Agency for over a decade. Warm and Well Plus is seen as a logical extension to this arrangement to help continue to provide expertise and service delivery in a rapidly changing area. This proposed project will be for an initial two year period before review.

## **3. Alternative options considered**

- 3.1** Cheltenham has not got the in house capacity to deliver this type of service independently. The continuing partnership arrangement under a new service level agreement is currently seen as the only way of delivering the service objectives.

## **4. Consultation and feedback**

- 4.1** Severn Wye Energy Agency, all six Gloucestershire districts and South Gloucestershire and Wiltshire County Councils have been involved in forming the new support hub arrangements

## **5. Performance management –monitoring and review**

- 5.1** Performance will be reviewed annually against performance targets contained within the service level agreement, which will be monitored and reviewed in accordance with Clause II of that agreement

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<b>Appendices</b>	1. Risk Assessment 2. SWEA Service Level Agreement



The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	The proposed pilot project and SLA currently provide the only way of supporting the Council's Affordable Warmth Strategy, HECA requirements, promotion of the Green Deal and take up of sustainable energy retrofit measures. Failure to support this initiative will result in the Council struggling to provide any service covering these areas. This will be highlighted in the required HECA returns to Government.	Mark Nelson	June 2013	3	5	15		Accept		Mark Nelson	
<b>Explanatory notes</b>											
<p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6                      (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

## **Guidance**

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

## **Risk ref**

If the risk is already recorded, note either the corporate risk register or TEN reference

## **Risk Description**

Please use "If xx happens then xx will be the consequence" (cause and effect). For example "If the council's business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted."

## **Risk owner**

Please identify the lead officer who has identified the risk and will be responsible for it.

## **Risk score**

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

## **Control**

Either: Reduce / Accept / Transfer to 3rd party / Close

## **Action**

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

## **Responsible officer**

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

## **Transferred to risk register**

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on