




Warm Up Bristol

Scrutiny Update

21st January 2016

Mareike Schmidt, Service Manager

Place

Energy Service Team

Slide 1






Agenda

- Programme management of Climate Energy
- Specifically management of our response to complaints about the scheme operation
- Procurement approach
- Background about the financial construction of the scheme i.e. the flows of money and contracts between the various parties
- What officers knew and at what time
- Skills sets and human resource
- The national landscape
- Outline options for continuing the Warm Up Bristol
- Technical installation matters especially around external solid wall insulation

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Programme Management

- Board Governance Structure in place with regular meetings between Climate Energy and all partners including EDF and DECC
- Quarterly Programme and Monthly Project Board meetings at Energy Service level including risk analysis
- Weekly operational meetings
- Occasional 1:1s between Service Director/Service Manager and Chairman of Climate Energy to talk about specific issues
- Developing and monitoring CE key reporting and key performance indicators
- Financial controls with invoices being checked before authorisation

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Complaints

- As a result of ongoing issues with customers, the team developed a BCC complaints log
- BCC complaints log with responses to customers chased by the team on a regular basis
- Climate Energy feedback questionnaire and related results being collated for board reports and on a weekly basis
- Customer satisfaction survey showed good results but some customers were not captured on the Climate Energy database
- Meetings with community energy groups to establish what was going on in the relevant communities
 - Learning point – different view points across the scheme on how well the scheme was performing
 - Learning point – with hindsight, we should have responded more vigorously
 - Learning point – formalised monthly meetings with community energy groups

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Procurement approach

- EU compliant procurement exercise, negotiated procedure
- This included checks in terms of insurance policies, equalities and health & safety policies, finance, accreditation and quality assurance
- Legal advice and support from leading law firm Bevan Brittan
- All Green Deal Providers approached before tendering exercise to ensure wide field of bidders, suppliers day organised upfront
- Only three bidders responded, Keepmoat and CSE dropping out during the tendering exercise
- Climate Energy the only option considering the DECC timescales and stipulations

Place

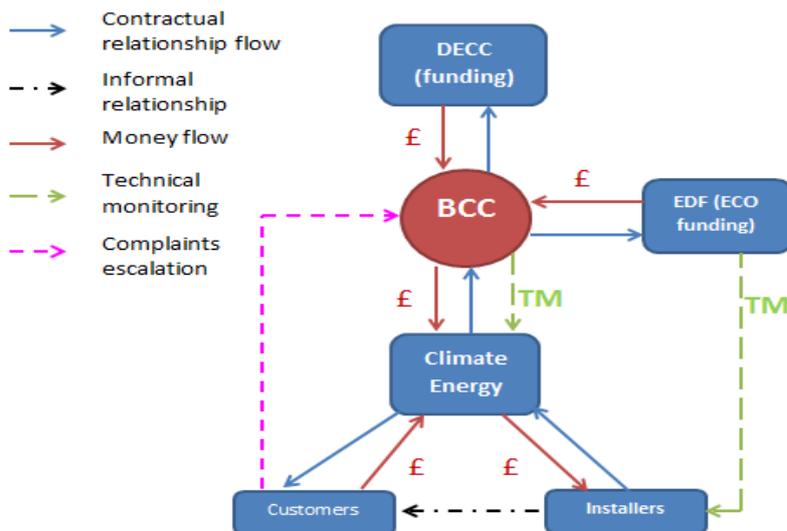
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Financial construction of the scheme



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Skills Set and Human Resource

- Jan – April 2015: recruitment of the team
- April – July 2015 fully competent BCC team with retrofitting/ECO experience in place, [8 staff]
- 1 officer on quality control/health & safety, rigid health & safety procedures EDF
- Climate Energy Bristol office established by July 2015, we assumed in the contract that this would be in place by January 2015
- This led to the work being carried out from the Head Office in Essex; this led to confusion for customers and processes not being followed through properly
 - Learning point - no direct control over contractors being appointed to the scheme which meant that BCC employees found it difficult to quality control scheme
 - Learning point - rate cards contributed to issues with contractors
 - Learning point - tight margins for contractors stipulated by Climate Energy
 - Learning point - local knowledge of contractors an issue for Climate Energy

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Officer knowledge

- **January 2014** – Cabinet report approved
- **July 2014** – OJEU procurement – Climate Energy procured
- **October 2014** – Warm Up Bristol launch, some issues with show home and demonstrator street
- **March 2015 & July 2015** - WuB Programme Boards where Climate Energy performance was escalated and reviewed including speed of installations and customer care
 - Seven contractual Warning Notices were issued to Climate Energy along with a contractual Escalation Notice in August 2015.
- **September 2015** – Non-Prejudiced discussion around the future of the WUB scheme.
 - Proposal from Climate Energy (est. termination June 2016).
- **October 2015** – Wednesday 7th notification that Climate Energy Services had been passed to the Administrators

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National Landscape

- Green Deal policies by the previous government assuming that energy savings would pay for measures
- Tendency towards large scale private sector delivery partners
- Measure-by-measure approach rather than whole house retrofit approach
- High volume delivery a priority rather than quality installations and good customer care
- Energy Company Obligation (ECO) being negotiated by LAs themselves with rates changing all the time
- Changing landscape around fuel poverty policies
- Energy efficiency not seen as long-term strategic priority/infrastructure that requires consistent investment with ideally a stable income stream moving away from grant funding approach

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Slide 9



Outline options

Option 1: **Transfer of contract to a large delivery partner and/or installer**

- Arms length- delivery of scheme difficult with risks around good customer care management and quality control
- Hardly any potential contractors available who would take this on

Option 2: **BCC direct management**

- Small team in house, would require increased capacity
- High reputational risks
- Some highly technical aspects would be required

Option 3: **BCC direct management with some of the functions being outsourced**

- Allows the Council to keep the management of the scheme under tight control
- Areas that could be outsourced: quality control, assessments, call centre functions

Options 2 and 3 require the commercialisation of this service area – in essence the margins would pay for the administration of the scheme

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Slide 10



Technical installation matters

- There are indications that some solid wall installs nationally could be problematic
 - Learning point: Bristolian's guide to installing solid wall installations:
<https://warmupbristol.co.uk/content/planning-guidance-your-home>
 - Whole house retrofit approach with installers being accredited via the Bristol kite mark (planning and quality)
 - Management of any incidents with the installers with quality control measures being increased (cost to the scheme)
- Energy efficiency is a long-term strategic priority for the city to reduce emissions and fuel poverty
- Long-term commitment of the Council to working with the installers to improve the quality of the installs over longer periods of time, procurement needs to reflect this
- Transparency around additional costs that the Council will have and how it will be covered

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