

# Business Plan – Energy Service Housing

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## 1. Executive Summary

It is proposed that the council deliver energy efficiency, smart technology and renewable energy measures to domestic households and commercial properties in BS postcodes, managed by the Energy Service. This is in support a number of Mayoral priorities including the commercialisation agenda, putting Bristol on course to be run entirely on clean energy by 2050, reducing fuel poverty and therefore food poverty and addressing social inequality as well as improving health and wellbeing.

By undertaking these activities, the council will enable citizens to access appropriate and affordable energy efficiency, smart technology and renewable energy measures, supported by the limited grant funding (ECO) currently available and any funding that may become available. The Clean Growth Strategy, published by Central Government in October 2017, confirmed ECO grant funding will be available until 2028 as well as outlining the Government's intention to support energy efficiency in houses, with a particular focus on the Private Rented Sector households. This programme will put the council in a position to move quickly when the Government outlines its future policy and support for domestic energy efficiency, which it is currently consulting on following the publication of the Clean Growth Strategy.

Energy Service Housing has identified a number of revenue streams which will generate a pipeline of work that will cover the costs of the staff, who are already in post, needed to deliver the programme. Various partnerships have been developed across the city to ensure that people have access to the most appropriate support available. By formalising the current arrangements, BCC will be ready to take advantage of further schemes or funding released by Government to maximise the benefits for the residents of Bristol.

The key areas in the medium term business plan are:

1. REPLICATE
2. Housing Delivery – Direct Marketing
3. Bristol Energy – Partnership Marketing
4. Private Rented Sector
5. Funding and Partnership
6. Commercial Offers Energy Service

To maximise the impact of the department and ensure ongoing support and access to funding for those in need in the city, the proposal is to delivery all of the above with the resource already in place. This option would be cost neutral to the council and has the potential to generate revenue.

Looking ahead, the introduction and commercialisation of smart and assistive technologies, battery storage and electric vehicle infrastructure offer the potential for additional revenue generation, the commercial viability of which will be tested as part of the REPLICATE project. The department is also able to operationally support other areas of the energy service when necessary.

## 2. Background

On 16<sup>th</sup> January 2014, Cabinet approved the report, 'Green Deal and Energy Company Obligation' for a period of four years. This allowed for the appointment of a Green Deal Provider (GDP), essentially acting as a managing agent, and an ECO funding partner and led to the creation of the Warm Up Bristol scheme (WUB).

During the procurement period, WUB was awarded £7.3million from the Department for Energy and Climate Change (DECC) via two pilot energy efficiency schemes; £5.3 via the Green Deal Communities (GDC) project, and £2m via the Private Rental Sector (PRS) pilot project. The GDC project requirements were to adopt a 'street-by-street' approach to targeting 'hard to treat' properties to owner occupiers. The PRS scheme was a pilot designed to test different ways of engaging private landlords and tenants in the benefits of energy efficiency improvements.

WUB launched in October 2014 by Mayor George Ferguson and Secretary of State for Climate Change, Amber Rudd MP and the procured delivery partner, Climate Energy Services (CES) was immediately inundated with enquiries to the scheme. However after just a year of operation, CES suddenly went into administration. At this point, Bristol City Council (BCC) opted to 'step in' to the contractual arrangements that CES had in place with customers and installers and complete the installations that it had committed to.

Energy Service's Housing had to expand and become the managing agent to enable delivery of the energy efficiency measures as promised. It is this arrangement that is looking to be formalised at April's cabinet. See Section 3.3 for more detail on structure.

### 2.1. What has been achieved to date

#### Warm Up Bristol Delivery

Since Warm Up Bristol launched in October 2014 the following measures have been delivered. This has been separated between pre and post CES administration:

**TABLE 1: WUB DELIVERY STATISTICS**

Delivery area	Delivered by CES (Oct 2014 > Oct 2015)	Delivered by BCC (October 2017 >)	Total
<b>No. enquiries received</b>	6,122	706 <sup>1</sup>	<b>6,828</b>
<b>No. installations completed</b>	724	507	<b>1,231</b>
<b>£ value of installations completed</b>	£1.98m	£2.6m	<b>£4.58m</b>

In addition to the delivery statistics above, the Housing team has managed the ECO funding contract directly with the procured and appointed Supplier Partner. The team have defrayed funding for

<sup>1</sup> New enquiries received since BCC stepped in have been saved on a 'registered interest'

private residents in WUB and on behalf of the major energy efficiency projects undertaken by Housing Delivery and Energy Infrastructure teams.

‘The Bristolian’s guide to Solid Wall Insulation’ was written using funding provided by the DECC Green Deal Communities grant. BCC was able to contract UK experts in building science and traditional construction (STBA) to develop a best practice guide for installation of solid wall insulation (SWI) on traditional solid wall constructed properties. The guide illustrates best practice, rather than current industry practice and has received a lot of positive attention from DECC and the wider industry and appears to be forming the basis for the new approach being developed in the Bonfield Review<sup>2</sup>.

The housing team is part of the successful REPLICATE funding bid which is a European funded project with three lead partners (San Sebastien (admin lead), Bristol and Florence), and additional follower cities. Approximately £3million of the funding awarded will be dedicated to work in Bristol. The housing team has approximately £300k to support energy efficiency installations across approximately 240 homes within a specified area. This is a five year programme, with installations due to take place in the first 3 years, and monitoring for 2 years thereafter. The installations are due to commence in early 2018.

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<sup>2</sup> <https://www.gov.uk/government/publications/bonfield-review-terms-of-reference>

### 3. Vision – What is the opportunity?

#### 3.1.Aims and objectives

The purpose of Energy Service - Housing is to support BCC towards meeting its carbon reduction and fuel poverty ambitions and whilst providing a reputable and reliable vehicle for residents in the private domestic sector to access in order to install energy efficiency measures to their property. Fuel Poverty is a key risk for the city of Bristol and is cited as one of the priorities in the 'More than a roof' housing strategy<sup>3</sup>, One City Plan and Bristol's Clean Energy and Climate Roadmap.

By delivering the technology directly from a BCC operational team sat within Energy Service – Housing, BCC will be able to access any central government or European grants as well as commercially available funding such as ECO. BCC will be able to direct funding to those most in need and couple this with the Wessex loan offer where possible. Partnerships with key local stakeholders that have been nurtured over the years mean that BCC can help to drive and pioneer the fuel poverty agenda in the city. Bringing together these key stakeholders can affect greater change across the city and help to meet key Mayoral objectives in tackling inequality, fuel poverty and commercialisation. Being able to adapt to changes in policy quickly by having direct links with Private and Public sector will provide the team with a relatively unique advantage in the industry. The different sectors and revenue streams identified will generate a pipeline that will cover the departmental costs meaning zero direct costs to BCC.

Within the wider Energy Service, there are expertise and relationships with potential clients already in place that will support the commercial aims of the project. One of which is to work on the delivery of energy efficiency measures in schools under the Energy Saving Partnerships scheme with Salix funding.

The Housing division of the Energy Service are also in a position to respond quickly when the government announces its future support for domestic energy efficiency following the consultation on the recently announced Clean Growth Strategy.

The Clean Growth Strategy confirmed that ECO funding would continue until 2028 and that £3.6bn would be available to support the installation of energy efficiency measures. In addition, the Government's Clean Growth Strategy also outlined the following actions that all relate to the continued delivery of a programme of energy efficiency, smart technology and renewable energy measures in domestic households:

- Working with mortgage lenders to develop green mortgage products that take account of the lower lending risk and enhanced repayment associated with more energy efficient properties
- Support innovative energy technologies and processes with £14 million of further investment through the Energy Entrepreneurs Fund

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<sup>3</sup><https://www.bristol.gov.uk/documents/20182/361915/Bristol+Housing+Strategy+2016+to+2020+executive+summary/3e620161-8395-43de-896c-2d00a0309eb8>

- For all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and an aspiration that as many homes as possible are to be EPC Band C by 2035 where practical, cost-effective and affordable
- Develop a long term trajectory to improve the energy performance standards of privately rented homes, with the aim of upgrading as many as possible to EPC Band C by 2030 where practical, cost-effective and affordable
- Phase out the installation of high carbon fossil fuel heating in new and existing homes currently off the gas grid during the 2020s, starting with new homes
- Improve standards on the 1.2 million new boilers installed every year in England and require installations of control devices to help people save energy
- Invest in low carbon heating by reforming the Renewable Heat Incentive, spending £4.5 billion to support innovative low carbon heat technologies in homes and businesses between 2016 and 2021
- Invest around £184 million of public funds, including two new £10 million innovation programmes to develop new energy efficiency and heating technologies to enable lower cost low carbon homes
- Implementing the smart systems plan, which will help consumers to use energy more flexibly and could unlock savings of up to £40 billion to 2050
- £265 million in smart systems to reduce the cost of electricity storage, advance innovative demand response technologies and develop new ways of balancing the grid

### **3.1.1. Co-benefits**

Aside from the activities above the Energy Service Housing bring a number of additional benefits to the city. By providing a department specifically looking at fuel poverty and energy efficiency BCC can pioneer real change within the city, building relationships with partner organisations and achieve ambitious targets. The Energy Service's Housing is working on funding bids into BEIS and Warmer Homes Fund with partner organisations such as Centre for Sustainable Energy, Talking Money, Shelter and We Care and Repair. The department also supports other services within the council such as Private Housing Sector and Social Housing.

Energy Service's Housing are in the process of writing the JSNA Chapter on fuel poverty which will guide and influence policy to help alleviate the health impacts of living in a cold home. In writing this chapter the Energy Service is bring together key players in both the health sector and fuel poverty sector in Bristol and facilitating greater dialog. Once the chapter has been written the aspiration is to help implementation.

The department is also representing BCC on a Steering Group that was borne out of the "No Cold Homes" event launched in 2017 by CSE, Bristol Energy and the Mayor. This group aims to bring together all the organisations in Bristol to share knowledge and increase our reach.

### 3.2.Narrative for Business Plan

The financial business plan has been based on a number of revenue streams which are outlined below. Each avenue of lead generation has been calculated conservatively based on existing information of conversion rates and potential reach.

Alongside the key areas below the Energy Service are able to offer two key methods of financial support to eligible customers. These are

- ECO Funding
- Wessex Loans

#### ECO Funding

The Energy Companies Obligation (ECO) requires energy companies to assist in the installation of energy efficiency measures in Great Britain to low income and vulnerable households or those living in hard-to-treat (HTT) properties. Under the ECO scheme, energy companies can spend up to a maximum of 10% of their full obligation on funding domestic energy efficiency measures for eligible households. The 'ECO Flexible Eligibility Statement of Intent' (commonly known as the 'ECO Flex Statement of Intent') details the assessment criteria that identifies if a household is eligible for ECO funding. This statement is produced by the LA with criteria set out by the LA allowing greater control on a local level.

If eligible ECO funding may pay for, or reduce the cost of, installing energy efficiency improvement works, such as boiler replacement, loft insulation, cavity wall insulation or external wall insulation.

#### Wessex Loan

Wessex Loan is available to all customers who want to purchase energy efficiency measures through the scheme. Wessex Resolutions are a not for profit organisation who offer loans to all people on an individual assessment basis. They offer only through Local Authorities for home improvements. There are two types of loan that can be offered

- 4.2% for "able to pay"
- 0% for those deemed "fuel poor"

The ethical loan option makes home improvements more accessible to all and Wessex's flexible repayment scheme and assessment mean that customers are not signed up to something beyond their means.

### 3.2.1. Short to Medium Term

The business plan for the Housing strand of the Energy Service comprises of six key areas:

1. REPLICATE
2. Housing Delivery – Direct Marketing
3. Bristol Energy – Partnership Marketing
4. Private Rented Sector
5. Funding and Partnership
6. Commercial Offers Energy Service

The first three areas have a more secure associated delivery and income attached to them. It is these areas that have been detailed in the Business Plan. The generated revenue for these streams is driven by the delivery profile and assumptions tabs within the business plan spreadsheet. All assumptions have been (where applicable) built around a typical three bed terraced property.<sup>4</sup>

‘Measures’ being delivered whilst predominantly energy efficiency based also take into consideration the ancillary works required to ensure that the relevant measure will perform in the way in best possible way, e.g. where solid wall insulation is installed, there may be requirements (depending on the circumstances of the property) to install additional ventilation.

The last two key areas, “Funding and Partnership” and “Commercial Offers Energy Service” are two areas that are currently being developed but without a costed income. As such they have been left out of the financials for the business plan.

The business plan has been designed around the principle that the team will be deliver a reputable and reliable scheme – therefore ensuring a quality customer journey and quality works is imperative. A thorough procurement exercise has been undertaken in collaboration with procurement and legal to ensure that we source, vet and engage our subcontractors correctly. It also ensures that we monitor and manage performance to deliver the best service. The procurement for the installers will be carried out alongside the cabinet approval process. This means that as soon as cabinet approval is granted Housing can appoint subcontractors and initiate the delivery of Replicate which is the most time critical.

Where used assumptions for conversion rates have been conservative and staffing costs have been calculated to include all contributions even if the current employees is not receiving pension or works part time, for example.

#### 3.2.1.1. REPLICATE

REPLICATE is an EU Horizon 2020 project delivering energy efficiency measures in the Ashley, Easton and Lawrence Hill wards. The aim is to meet a kilowatt hour (kWh) reduction target; it is this that will govern the number of homes that need to be installed. The applied funding for each measure varies depending on the kWh achieved by that measure.

The homes need to be delivered by January 2019. A predicted delivery profile is included in the

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<sup>4</sup> Having analysed the Housing Stock Model, developed by the Energy Service three bed terraced properties are the most common within the city of Bristol.

business plan calculations. Energy Service – Housing has been working with the REPLICATE team to roll out the scheme and will be the delivery partner. To enable the success of the REPLICATE scheme the housing team must be able to deliver and therefore cabinet approval and permission to procure is essential.

### **3.2.1.2. Housing - Direct Marketing**

The aspiration has always been to improve the energy efficiency of the housing stock in Bristol for those in fuel poverty and those who are able to pay. To achieve this aim there are a number of direct marketing activities planned. These are detailed in the Energy Service – Housing Marketing plan. The figures for delivery have been calculated using industry standards on lead generation and then typical figures for conversion rates (nominally 10% conversion rate).

The marketing plan has been designed to be scaled up or down depending on demand from other key areas. The will enable the department to manage work load and prevent peaks that may affect service delivery.

Delivery has been spread across the technologies based on industry experience and historical delivery data.



### **3.2.1.3. Bristol Energy**

Bristol Energy and BCC are keen to work on partnerships and one of these is to offer energy efficiency measures to their customers in Bristol. They are also keen to include energy efficiency measures as part of their offers to fuel poor customers and combining this with the potential funding that housing can bring through ECO and Wessex Loans means that more people could be helped.

The delivery figures for Bristol Energy have been based on their customer base in Bristol and the potential to deliver to a minimum % of these people.

**Table 3 - Financial Breakdown for the addition of Bristol Energy to WUB Marketing**

### **3.2.1.4. Private Rented Sector**

The Government's minimum standard requirement on landlords requires that all rented properties reaches an EPC rating of level E or above unless they register as exempt on the grounds of cost. The Energy Service and Private Housing Sector are developing a scheme to ensure that landlords carry out necessary energy efficiency improvements. With funding provided by PHS, BCC will offer grants that will need to be administered and delivered through the Energy Service, to landlords to cover and potential cost to them. This will mean that there will be no possibility to register as exempt. The importance of this is significant in tackling fuel poverty as a number of those considered fuel poor are in rented accommodation.

This project is in its initial stages of discussion and may involve bringing in funding from other sources as well as involving other partners. The extent and uptake of this project has not yet been developed however it is something that will be initiated in 2017. There is a funding pot of £250k to be dispersed on energy efficiency measures.

### **3.2.1.5. Funding and Partnership**

The Energy Service – Housing are continually looking at potential funding and partnership opportunities. To enable BCC to have an impact on fuel poverty within Bristol it needs to build and maintain relationships with other organisations who are working tirelessly to the same cause. As a Local Authority BCC is also able to access funding which local organisations cannot. As such it is important that the Housing department have a function to develop relationships and pursue funding opportunities.

There are currently two funding applications being developed at the moment. These are in collaboration with local partners Talking Money, Centre for Sustainable Energy, Shelter, We care and

Repair and CHAS. The two bids are with the Warmer Homes Fund and BEIS. Both are in their early stages of development and as such have not been included in the business plan.

### **3.2.1.6. Commercial Installations Energy Service**

Across the Energy Service a need has been identified to support other services with delivery and project management. The structure of the Energy Service's Housing team is designed to delivery operations and other services within the department can utilise this to deliver projects. Currently Housing is working with the Energy Service Investment team to deliver the SALIX Schools project. There is also potential for Housing to becoming involved in installing electric vehicle points, assisted technology, solar PV or more depending on demand.

### **3.2.2. Long Term**

The business plan has been prepared over a 5 year financial period simply due to the fact the domestic energy efficiency sector is extremely unpredictable. Attempting to profile delivery forecasts and business plans for a longer period is not possible until there is a long term commitment with clear policy requirements from government.

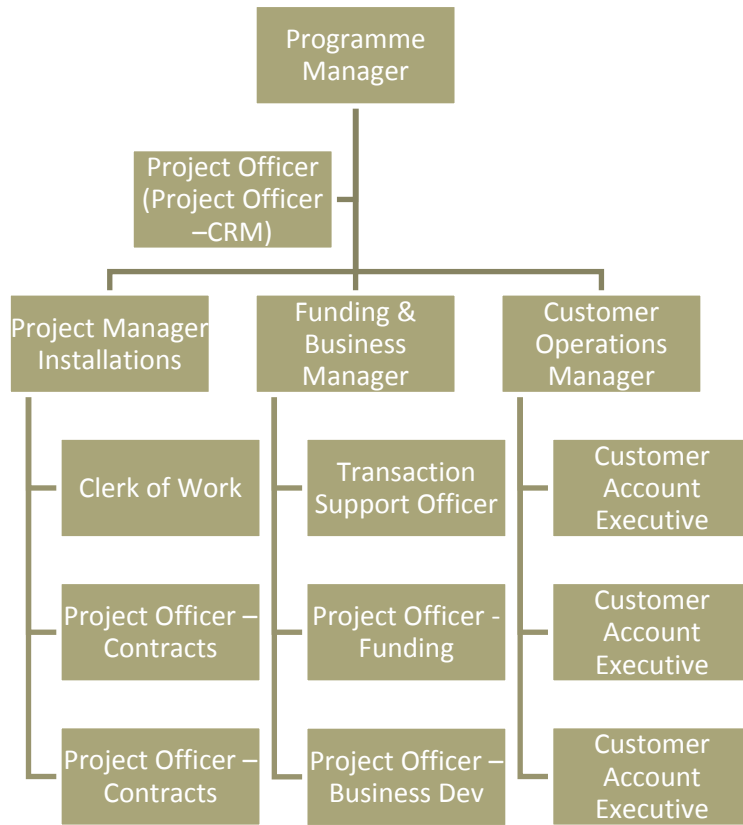
Longer term plans will include

- Delivering on policy that the government are expected to publish on domestic energy efficiency.
- Continued management and delivery of ECO to the city.
- Supporting and delivering Commercial Energy technology for the wider across the department. Such as, EV Charging stations, Solar PV
- Using research from REPLICATE to assess the market for Smart Technology and apply to the benefit of Bristol
- Developing relationships within Bristol City to combine efforts in tackling fuel poverty
- Prospectus – bringing funding to provide a revolving loan for energy efficiency measures
- Social landlord

## **3.3. Staffing & Organisation**

The department was re-structured in 2017 to streamline the service it offers with a great focus on customer care, quality management and financial control. The re-structure also saw the introductions of a new CRM system which will assist in delivery, reporting and managing customer accounts.

Below is the current organisational chart.



## 4. Financial Analysis & Projections

The financial analysis has been done as an Options Appraisal based on four options. Note that all options are zero cost to BCC with the exception of Option 1.

1. Close the department
2. Deliver REPLICATE and administration of ECO
3. Deliver REPLICATE and minimum energy efficiency measures
4. Deliver REPLICATE, marketed energy efficiency and Bristol Energy partnership

**NOTE:** All costed Options are costed to achieve zero cost to BCC or minimal profit. This has been achieved by reducing the staffing levels to match the delivery profiles. Any cost to BCC would be in relocating or making redundant existing employees. As such, Option 1 would cost the most in employee costs to shut down the whole team.

### 4.1.Option 1 – Do nothing

This option has not been costed as it will involve no delivery. The time and cost for redeploying or making redundant team members has not been costed but of the four options this would involve the largest cost to implement.

### 4.2.Option 2 – Deliver Replicate and Administration of ECO

This Option would involve delivering the Replicate Project, 240 retrofit energy efficiency measures and 150 smart white goods in households across Bristol before January 2019. It would also provide an administrative function to service the delivery of ECO funding across Bristol up to 2019 and beyond.

Initially, a team of at least 6 would be needed to deliver Replicate and remain cost neutral to the council. In January 2019 the team would be reduced to one BG8.

### 4.3.Option 3 – Deliver Replicate and minimum energy efficiency measures

This option would reduce the existing head count to 11 in the first year to enable delivery of REPLICATE and then from Year 2 there would be further reduction to a team of seven. The minimum amount of delivery would come from a low level of marketing activity and some anticipated sales that will come off the back of the REPLICATE scheme.

#### **4.4.Option 4 Deliver REPLICATE, marketed energy efficiency and Bristol Energy partnership**

This Option would keep the existing team and deliver the maximum benefit to the city of Bristol. This would enable the department to have a fully operational team who could support other departments, ensure full uncompromised delivery of ECO in Bristol and develop strong business and community partnerships across the city. There is also potential for this Option to generate a strong revenue stream for the council if required, however for the purposes of assessment the a minimum delivery profile has been considered.

##### **4.4.1. Summary**

By continuing to deliver energy efficiency measures to domestic households in Bristol and beyond, the council will enable:

- An estimated 5500 properties to benefit from energy efficiency and renewable energy installations by 2023, saving the city the equivalent of c100,000 tonnes of carbon and £35m of energy bill savings over the lifetime of the energy efficiency improvements installed.
- Delivery of ECO grant or alternative grants to homes in Bristol considered by the council to be fuel poor, enabling them to reduce their energy bills.
- Provide a 0% financing option to those that are most in need through Wessex Loans.
- Opportunities arising from the Joint Strategic Needs Assessment (JSNA) chapter on fuel poverty to improve the health and wellbeing of citizens in fuel poverty.
- Delivery of the EU Horizon 2020 project, REPLICATE project in the Ashley, Easton and Lawrence Hill wards, which will result in 240 homes benefitting from an energy efficiency retrofit, 150 of which will benefit from some the installation of cutting-edge smart white goods.
- Revenue generated by delivering energy efficiency measures will be used to offset any revenue costs incurred by the council, mainly staff costs, with any surplus being returned to the council to support frontline services.

## Options Appraisal Matrix

OPTIONS EVALUATION MATRIX	Pros (Will achieve outcomes/objectives?)				Risk Level (Cons)	Savings (net of any ongoing costs) (£'000s)					Confidence Level in Savings Delivery*
	<i>Delivery of Replicate</i>	<i>Delivery of ECO Flex</i>	<i>Tackling issues of Fuel Poverty</i>	<i>Reducing CO2 emissions across the city</i>		17/18	18/19	19/20	20/21	21/22	
<b>Option Title</b> <i>(Please indicate Preferred Options with an "X" in the relevant box, alongside option title)</i>											
<b>1 Do Nothing</b>	N	N	N	N	H	0	0	0	0	0	0%
<b>2 Delivery Replicate Project and administration of ECO within the city</b>	Y	Y	N	N	H	£18k	£18k	£18k	£18k	£18k	50%
<b>3 Delivery Replicate Project and minimum energy efficiency measures</b>	Y	Y	Partial	Partial	M	0	0	0	0	0	50%
<b>4 Deliver Replicate and marketed energy efficiency measures as well as Bristol Energy</b>	Y	Y	Y	Y	L	0	0	0	0	0	50%

\* *Below is an example set of confidence levels as a guide:*

*0% = an approximate calculation based mainly or entirely on guess work*

*25% = a small amount of investigative work has been carried out to establish ball-park figures/estimates*

*50% = estimates based on previous experience and/or extrapolated data from other good and comparable sources*

*75% = A strong evidence base has been gathered from reliable sources to back up assumptions.*

*90% = A strong evidence base has been gathered from prototyping and testing efficacy of solutions with the intended users.*

**Recommendation:**

The recommendation is for Option 4. This option utilises all the resources available and will have the maximum impact on fuel poor and increasing the energy efficiency of housing in Bristol. It will also utilise all the revenue streams available and allow for a structure that would grow and support the wider Energy Service and it's operation objectives. This would allow for wider social projects that would benefit a greater number of people whilst generating the most revenue and having the largest impact. As this option is Revenue neutral there is no cost to the council.

## 5. Assumptions

ID	Assumption Type	Assumption description (including source)	Confidence level %	Further work required to increase confidence
ASS001	E/F	BCC retains it's political aspirations to be carbon neutral by 2050	75%	N/A
ASS002	E/F	Costs included in the financials of the business plan have been developed based on industry experience and input for a 3 bed semi property	75%	<i>Cost should be revised following data collected from delivery</i>
ASS003	S/C	Delivery profile has been based on industry experience and possible uptake of measures on past delivery and industry experience	75%	<i>Delivery profile will be updated following roll out depending on uptake and interest in particular technology following marketing</i>
ASS004	E/F	Lead generation and sale conversion rates have been assumed from industry figures	75%	<i>Lead generation and sale conversion rates can be updated with actual rates following a good sample of delivery</i>
ASS005	E/F	Operational margins have been based on industry experience from other schemes and are deemed to keep the scheme competitive	50%	<i>Margin analysis has been undertaken however feedback will be collected from the sales process to continually evaluate where we stand on cost compared to competitors</i>
ASS006	E/F	BCC will provide capital to support a low interest loan via the land charge mechanism so that energy efficiency improvements are available to all	25%	<i>There are limited volumes of work that can be done on the zero % loan. Once the popularity and uptake of this offer can be established a new input of funds will be investigated via a funding bid, Prospectus, Private Housing fund or another avenue.</i>

## 6. Risk Assessment

ID	Type	Category	Description	Likelihood	Impact	Priority	Date identified	Countermeasure or response	Residual		
									Likelihood	Impact	Priority
RK001	Risk	S/C	Delivery profiles not being met will mean that the overheads of the delivery team will not be covered.	4	2	8		Several sources of revenue streams have been identified with plans to increase or decrease to respond to demand. Contingency plans have been devised to share resource across the service if overheads are not being met. This would alleviate the issue temporarily to allow for growth.	2	2	4
RK002	Risk	S/C	Too much demand and the team cannot respond to the influx of work	4	2	8		Marketing is being staggered to avoid bottlenecks as work comes in. Contingency planning has been carried out and areas where additional resource may be needed have been identified including where the resource could be found. Training plans are being developed for each department to bring temporary staff or new starters up to speed as quickly as possible.	1	2	2
RK003	Risk	S/C	ECO (or equivalent) funding not being available will impact the delivery profile and also competitive edge when seeking new partnerships	3	3	9		New procurement for ECO is being carried out alongside the cabinet report to ensure that a new ECO contract is in place post June 2018.	2	3	6
RK004	Risk	O/M	Council processes delay project programme and delivery cannot start as scheduled in April 2018.	4	3	12		Possible delays have been factored into the schedule.	3	3	9
RK005	Risk	T/O	Procurement and legal have advised to use a Measured Term Contract. This means using one contractor per energy efficiency measure. Risk that this contractor does not perform or goes into administration.	3	3	9		Strict contract management needs to be adhered to and regular meetings with contractor need to be carried out. All contractors have to adhere to council requirements (i.e. financial, insurances etc) to bid for work.	2	3	6

**Category** - 'E/F' Economic/Financial'; 'E' Environmental; 'L' Legal/Regulatory; 'O/M' Organisational/management; 'P' Political; 'S/C' Strategic/Commercial; 'T/O' Technical/Operational

**Likelihood** - 6 = Almost certain, 5 = Likely, 4 = Probable, 3 = Possible, 2 = Unlikely, 1 = Almost impossible **Impact**: 4 = Catastrophic, 3 = Critical, 2 = Significant, 1 = Marginal

**Priority Score** - **Purple** (18-24: Catastrophic Risk); **Red** (10-16: Critical Risk); **Amber** (9-8: Significant Risk); **Green** (1-6: Marginal Risk)