

<b>Title: Delivery of energy efficiency and renewable energy measures to reduce fuel poverty, household expenditure and carbon emissions</b>	
<b>Ward(s):</b>	<i>City-wide</i>
<b>Author: David White</b>	<b>Job title: Service Manager, Energy Service</b>
<b>Cabinet lead: Cllr Dudd</b>	<b>Director lead: William Edrich</b>
<b>Proposal origin:</b> <i>BCC Staff</i>	
<b>Decision maker: Cabinet Member</b> <b>Decision forum:</b> <i>Cabinet</i>	
<p><b>Purpose of Report:</b></p> <p>This report seeks permission for the council to deliver energy efficiency, smart energy-related technology and renewable energy measures to homeowners and rented homes across the City and beyond, formalising the role that the council has been undertaking since the administration of its former managing agent in 2015. Delivering these measures is one of the most cost-effective ways of reducing the city's energy demand, reduce fuel and food poverty, improve physical and mental wellbeing, generate jobs, improve home insulation and putting Bristol on course to be run entirely on clean energy by 2050.</p> <p>The programme aims to deliver these measures either directly to householders or as part of other initiatives and projects, for example the EU-funded REPLICATE project, in partnership with both Universities and Bristol is Open amongst others, which must be delivered by January 2019. The programme will be revenue neutral, does not require any capital investment by the council and with all revenue costs covered by management fees and measures introduced paid for by customers and / or grant funding.</p> <p>This report also seeks approval for delegated authority to the Executive Director for Communities, in consultation with the Chief Finance Officer and the Cabinet Member for Energy, Waste and Regulatory Services, to procure subcontractors to install these initiatives through a measured term contract or framework agreement, procure an ECO grant funding partner and submit bids for additional grant funding that may be available in the future to support the objectives of the programme. Note that ECO grant funding is secured on a measure-by-measure basis and will be based on realistic delivery profiles, therefore minimising the risk to which any party is exposed.</p>	
<p><b>Evidence Base:</b></p> <p>1 in 8 residents in Bristol are in fuel poverty (12.9%, 2015 figures). The Business Plan at Appendix A sets out the background to the proposed scheme and the pipeline of work that will cover the costs of the staff, who are already in post and can be redirected to deliver the scheme.</p> <p>Strategic working partnerships have been developed with organisations and initiatives in the city, e.g. Bristol Energy, Talking Money, the Centre for Sustainable Energy, No Cold Homes and the Joint Strategic Needs Assessment, to help ensure that the council's efforts are effectively targeted at those most in need. 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 Private Rented Sector households. Bristol City Council has recently published its <a href="#">ECO Flex Statement of Intent</a> which sets out a wide range of criteria under which residents can access grant funding to help pay for energy efficiency measures.</p> <p>By formalising the current arrangements, BCC will be ready to partake in further schemes or funding released by Government to maximise the benefits for the residents of Bristol.</p>	
<p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. To continue to deliver energy efficiency, smart energy-related technology and renewable energy measures directly to private households in BS postcodes.</li> </ol>	

2. To continue to work in partnership with and to develop new partnerships with organisations within the city to further meet the objectives of the programme.
3. Delegate authority to the Executive Director for Communities, in consultation with the Chief Finance Officer and the Cabinet Member for Energy, Waste and Regulatory Services, to:
  - Procure and conclude contracts relating to the delivery of this programme up to an annual value of £1.0 million each, including any ECO funding agreement, measured term contract or framework agreement.
  - Submit funding bids that directly support the objectives of the programme to Central Government and other funding bodies.

<b>Revenue Cost: an average of £2.2mp.a. (gross cost), Net cost £0.</b>	<b>Source of Revenue Funding:</b> Income from the initiatives implemented will cover the associated revenue costs.
<b>Capital Cost: nil</b>	<b>Source of Capital Funding: n/a</b>
<b>One off cost <input type="checkbox"/> Ongoing cost <input checked="" type="checkbox"/></b>	<b>Saving Proposal <input type="checkbox"/> Income generation proposal <input checked="" type="checkbox"/></b>
<p><b>Finance Advice:</b> Implementing the proposal outlined above is intended to be cost neutral to the Council. The initial calculations anticipate that c1,200 installations could be implemented per year, predominantly loft and cavity wall installations. The installations are primarily funded from households, with a contribution from ECO grants (as outlined in the business plan).</p> <p>Average gross annual income is forecast to be £2.2m, with c£1.6m of variable costs (based on estimated demand) and £0.6m of fixed costs (primarily staffing and overheads). Sensitivity analysis shows that in order to cover the fixed costs on staffing, based on an average margin per installation, demand cannot drop by more than 5% of estimated. Otherwise, staffing levels will need to be reduced or other income generating alternatives need to be explored to ensure the service remains cost neutral to the Council. This has been included in the risk assessment contained in the report.</p> <p>Whilst delegated authority is sought to submit grant EOI and Bids, acceptance of grant awards will be subject to the governance procedures outlined in the decision pathway and scheme of delegation, and robust evaluation and monitoring process will be in place and in line with best practice, this will be for not only the award but also periodic reviews during the contract term.</p>	
<p><b>Finance Business Partner:</b> Tian Ze Hao <span style="float: right;"><b>Date:</b> 22/02/2018</span></p>	

<p><b>Corporate Strategy alignment:</b> This aligns directly with many of the key commitments within the Wellbeing strategic theme in the draft Corporate Strategy, including:</p> <ul style="list-style-type: none"> <li>• Tackle food and fuel poverty</li> <li>• Embed health in all our policies to improve physical and mental health and wellbeing</li> <li>• Keep Bristol on course to be run entirely on clean energy by 2050</li> </ul>
<p><b>Legal Advice:</b> All contracts for works or services required to deliver the programme will need to comply with the Procurement Regulations and the Council’s own Procurement Rules. Contractual commitments should not be concluded unless the necessary funds exist. Third party funding may also impose conditions which will need to be complied with. Certain information set out in Business Plan (included in Appendix J) is information relating to the financial or business affairs of the Council which should not be made public at this time. Care should be taken to ensure that trading activities comply with appropriate legal requirements.</p>
<p><b>Legal Team Leader:</b> Eric Andrews, Team Leader, Legal Services, 21 March 2018</p>

**Implications on ICT:** There are no direct ICT implications apparent in this paper. However, should these arise during the course of the initiative, early engagement with ICT via the Business Change Partners will help ensure successful delivery.

**ICT Team Leader:** Ian Gale, Acting Head of ICT

**City Benefits:**

Reduce fuel and food poverty, improve physical and mental wellbeing, increase disposable incomes, generate jobs, improve home insulation and put Bristol on course to be run entirely on clean energy by 2050.

**Consultation Details:**

11<sup>th</sup> January 2018 – Cllr Dudd briefing  
 14<sup>th</sup> February 2018 – Communities DLT  
 15<sup>th</sup> February 2018 – Cllr Dudd sign off  
 20<sup>th</sup> February 2018 – CLB

<b>DLT Sign-off</b>	Patsy Mellor, Executive Director, Communities (Acting)	14.2.18
<b>SLT Sign-off</b>	Jacqui Jenson, Head of Paid Service (Acting)	20.2.18
<b>Cabinet Member sign-off</b>	Cllr Kye Dudd, Cabinet Member for Energy	15.2.18
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	5.3.18

- You can include further details in appendices as set out below if required.
- Draft Cabinet papers must include these appendices.
- Each appendix must be labelled and formatted to enable conversion to pdf for use in Modern.Gov.
- Please do not embed documents within appendices.
- Please delete all grey text for the final document

Appendix A – Further essential background / detail on the proposal	<b>YES</b>
Appendix B – Details of consultation carried out - internal and external	<b>NO</b>
Appendix C – Summary of any engagement with scrutiny	<b>NO</b>
Appendix D – Risk assessment	<b>YES</b>
Appendix E – Equalities screening / impact assessment of proposal -	<b>YES</b>
Appendix F – Eco-impact screening/ impact assessment of proposal -	<b>YES</b>
Appendix G – Financial Advice	<b>NO</b>
Appendix H – Legal Advice	<b>NO</b>
Appendix I – Combined Background papers	<b>NONE</b>
Appendix J – Exempt Information	<b>YES</b>