

## ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	<b>Meeting</b>	<b>Cabinet Member for Safe and Attractive Neighbourhoods</b>
2.	<b>Date</b>	<b>Cabinet 29<sup>th</sup> October 2012</b>
3.	<b>Title</b>	<b>Community Energy Saving Programme</b>
4.	<b>Directorate</b>	<b>Neighbourhoods and Adult Services</b>

### 5. Summary

This report informs Cabinet Member of a programme of energy saving measures being implemented for free to some of our most vulnerable private and council sector households living in our most deprived neighbourhoods. The scheme is called the Community Energy Saving Programme (CESP) and is funded by Energy Providers who have an obligation to reduce carbon emissions from residential property. The report sets out which neighbourhoods are benefiting from the investment, the qualifying criteria, how households are consulted and timescales for delivery.

A key benefit of the Council enabling this activity to take place, is that it directly tackles our corporate priority of reducing poverty in the most deprived neighbourhoods. Some of the key outcomes of the schemes to date are;

- 395 properties have already benefitted from CESP energy efficiency improvements and 653 further properties will be completed during 2012
- £2.7million of energy efficiency measures have been provided to date at no cost to the Council
- Approximate annual household savings on energy bills have been estimated as being £400 - £550.

The report also highlights the transition from CESP to the Energy Company Obligation (ECO) and how RMBC intends to utilise the ECO scheme to provide additional carbon saving opportunities that benefit Rotherham householders.

### 6. Recommendations

**That Members;**

- **Note the delivery of energy efficiency measures to both private and council homes, which has brought about a reduction in fuel poverty in Rotherham's deprived neighbourhoods and its direct impact on reducing poverty in the Borough**
- **Support the continued influencing and enabling role of the Council to maximise the household take up of energy efficiency measures**
- **Support a 'roll out approach' to extending energy efficiency installations to other neighbourhoods and in particular deprived neighbourhoods across the borough utilising the ECO, which will take over from CESP in 2013.**

## **7. Proposals and details**

### **7.1 Background**

The Council has previously delivered a range of energy efficiency programmes across the Borough, which were funded by energy provider obligations and implemented through Government backed carbon reduction schemes e.g. Warm Front. These schemes were complemented with HRA funding in the form of Decent Homes and non-traditional housing capital programmes.

The CESP has been created as part of the Government's Home Energy Saving Programme and its aim is to reduce carbon production through the installation of energy efficiency measures to domestic dwellings. The funding has to be targeted towards residents suffering from fuel poverty and the funding stipulates that CESP can only be spent in the top 10% most deprived neighbourhoods. Using this criteria Rotherham has 21 areas, consisting of 13,400 households, where funding can be applied. All works must be completed before 31<sup>st</sup> December 2012.

The measures being offered are;

- Solid wall insulation (External and Internal)
- Replacement gas boiler (if current boiler is G Rated)
- Loft Insulation (either complete or top-up as required)
- Draught proofing

CESP schemes are delivered by energy providers usually in collaboration with a construction partner e.g. EDF and Keepmoat, however the Council also has an important role. The delineation of roles can be summarised as follows;

#### The role of the energy provider and / or partner

- Procurement of the contractor
- Consultation with the community (see also 7.3)
- Applying for planning approval/building regulation consent
- Producing a schedule of works
- Delivering the programme

#### The role of the Council

- Identifying communities that have the correct attributes for successful scheme implementation
- Influence energy providers/constructors to appraise neighbourhoods and scheme viability
- Promote the benefits of the scheme and increase confidence within the community
- Provide links between the energy provider/partner and the community

### **7.2 CESP schemes in Rotherham**

As stated above, the Council has an important role in identifying suitable deprived areas. The deprived areas that would most benefit from CESP are those that have high numbers of private sector households, which have not benefitted from previous energy efficiency improvements (the Council's Decent Homes programme), have solid walls and where there are high occurrences of fuel poverty.

These areas are also attractive from an energy provider's perspective as they;

- are within the top 10% deprived in the borough
- offer high levels of carbon savings
- have at least 25% of the households participating in the scheme
- are deliverable before January 2013, when CESP will be superseded by ECO.

Current schemes being carried out are in the following areas;

#### Ferham (completed September 2012)

The scheme was led by British Gas using their preferred main contractor, SERS, who installed the energy efficiency measures. The area consists of 602 households of which 515 were suitable for improvement. The scheme commenced late 2011 and is now finished. Of the suitable properties identified, 395 households have received energy efficiency improvements.

#### Eastwood Village (ongoing)

Again, the scheme is being led by British Gas using their preferred main contractor, SERS, who will install the energy efficiency measures. The area consists of 608 households of which a minimum of 300 properties are suitable and have been signed-up for improvement. The scheme commenced September 2012 and it will be completed prior to Christmas 2012.

#### Meadowbank / Masbrough / Town Centre / Eastwood (ongoing)

These four schemes are being led by Keepmoat and EDF Energy. Keepmoat will act as the main contractor and install the energy efficiency measures. The four areas consist of 2,879 households of which 296 properties are suitable and have been signed-up for improvement within the available timeframe. The schemes commenced in September 2012 and they will be completed prior to Christmas 2012.

#### Maltby (to commence October 2012)

This scheme is being led by Acrobat Carbon Services and nPower. Local Maltby based contractors will install the energy efficiency measures. The area consists of 621 households of which 66 properties are suitable and have been signed-up for improvement within the available timeframe. The scheme will commence in October 2012 and it will be completed prior to Christmas 2012.

#### Household Participation

Where there are low numbers of take-up, this is due to;

- the availability of suitable properties
- the construction time available to complete the works before 31st December 2012
- a number of householders have chosen not to participate in the scheme

While the Ferham and Maltby schemes have almost exclusively improved private sector homes where fuel poverty is most prevalent, the other CESP programmes will treat a combination of private and Council owned properties.

### **7.3 Consultation**

Projects funded through CESP have to be completed by December this year; it is understood that there may be opportunities for 'carry over' into the ECO programme but energy providers, and their contractors, are ensuring timely completion by Christmas.

To this end, a brief but exhaustive consultation programme is undertaken to ensure that those householders living in the hardest to treat properties are included first;

- a) An introductory letter is delivered to all properties within the qualifying geographic area
- b) RMBC tenants, where they are predominantly miscellaneous Council properties, are consulted prior to including their properties in the scheme
- c) A series of drop in sessions have/will be held, staffed by RMBC Officers, Energy Providers and their support teams, to inform and encourage take-up of the scheme
- d) Depending on the number of attendees this may be followed up by a series of home visits to ensure no home owner is excluded from these potential improvement works
- e) The designated contractor commences a rolling programme of surveys on properties owned by residents/tenants who agree to participate in the scheme

To manage the programme on site, the energy providers/organisations employ a Resident Liaison Officer to inform residents of the intended programme, arrange access, resolve queries and ensure satisfaction upon completion.

### **7.4 Summary**

#### Facts and figures

- 395 properties have already benefitted from CESP energy efficiency improvements
- £2.7million of energy efficiency measures have been provided to date at no cost to the Council
- Additional numbers of properties to receive energy efficiency improvements before 1<sup>st</sup> January 2013 is 653
- Approximate annual household savings on energy bills have been estimated at being £400 - £550.

#### Key benefits to Rotherham

- Reduces poverty in our most deprived neighbourhoods
- Tackling/reducing fuel poverty and health inequalities
- Offers energy efficiency measures to both private and public sector properties
- Stimulates employment and the local economy
- Improves investor confidence in our most deprived communities

### **7.5 Green Deal and ECO**

CESP, within Rotherham, is being utilised to reduce fuel poverty and health inequalities to households living in deprived areas and its contribution is recognised in the Council's draft Warmer Homes Strategy. The CESP scheme ends in December and it is understood that ECO, integrated within the Governments Green Deal package, will take over.

The ECO will focus on providing energy efficiency measures to low income and vulnerable householders in our top 15% most deprived neighbourhoods, (CESP only worked in the top 10%) and those living in 'hard to treat' properties.

Green Deal commences in October 2012 and will enable householders to access energy efficiency improvements irrespective of where they live. Improvements are paid for via their utility bill. The scheme is planned to be cost neutral to the householder, as monthly repayments are met from the resultant energy bill savings from efficiency improvements.

## **7.6 Next Steps**

We will continue to work with the energy providers to complete the ongoing CESP schemes and evaluate their outcomes.

In preparation for the implementation of the Green Deal and the ECO, the Council have established a Green Deal Working Group consisting of Officers from Audit & Asset Management, Commissioning Policy & Performance and Housing & Neighbourhood Services. Their role is to understand the workings of Green Deal and ECO and develop a strategy to maximise the benefits of these new schemes for Rotherham residents. The aim being to;

- Achieve maximum householder participation
- Regenerate our 11 most deprived neighbourhoods and other deprived areas.
- Tackle fuel poverty
- Address inconsistencies in the approach of different installers (a problem identified when delivering the CESP)
- Maximise job creation, training and economic regeneration outcomes
- Develop schemes which take a whole area approach as opposed to small scale developments and pepper potting.
- Promote consistently good and effective neighbourhood liaison

To achieve this, the group will be considering the merits of establishing a Green Deal / ECO partnership with one or more energy company, installer consortiums.

## **8. Finance**

Under CESP and ECO all financial risks sit with the energy providers and the Council does not have to offer any financial contribution towards any of the schemes currently being implemented. However, there is a cost associated with officer time given up to assist with identifying suitable schemes, community consultation and design/planning advice. Consideration will need to be given to whether or not any future developments could wholly or partially underpin some of these associated costs.

Efficiency savings to date, based on the Ferham scheme, total £2.7million and this is money which Rotherham householders have not had to find to improve the thermal efficiency of their properties. Approximate annual household savings on energy bills following the installation of the measures have been estimated at being £400 - £550.

## **9. Risks and uncertainties**

The main risk for the CESP schemes not progressing is lack of take up by the private householders because for the scheme to be viable, 25% of householders are required to participate. It is therefore imperative that effective consultation is carried out (as listed above), which highlights the benefits of the programme to the householder. Experience of the first scheme, carried out in Ferham, shows that householders are wary of a 'free' offer and it is recognised that householders may choose to sign-up after the commencement of the scheme. To accommodate this, each of the work programmes includes an amount of

flexibility to allow additional properties to be accommodated within the timeframe, ensuring completion by 31<sup>st</sup> December 2012.

In respect of future schemes, which will be undertaken through the ECO programme, the lessons learnt from this programme are as follows;

#### Work proactively with energy providers to maximise benefits to householders

Energy Providers will only consider working with a council if the carbon savings are attractive to them. A programme of intervention is designed by the energy provider/organisation and the Council has little or no say in what is offered. It is therefore necessary for the Council to have schemes on the shelf ahead of the introduction of ECO to engage existing and future energy providers.

#### Provide an offer of support for residents outside of targeted geographic areas

It is necessary to promote the energy efficiency schemes and the opportunities that they offer within geographic areas. Council co-ordination can ensure that residents in the private sector who sit outside the geographic boundaries can still receive advice and assistance via existing and future energy saving programmes.

#### Planning and urban design is necessary

Opportunities can be lost if the Council is not involved early on in planning the intervention. A close working partnership will ensure that the implementation phase is not delayed by highway or planning concerns.

#### Community engagement is of paramount importance to the success of the scheme

Promote the success of previous schemes and organise open events to allow residents to understand the proposal, inspect materials and finishes and raise questions. Ensure that enough time is offered for people to sign up to participate.

### **10. Background papers and consultation**

DECC, 2011, Community Energy Saving Programme,  
[http://www.decc.gov.uk/en/content/cms/funding/funding\\_ops/cesp/cesp.aspx](http://www.decc.gov.uk/en/content/cms/funding/funding_ops/cesp/cesp.aspx)

### **11. Contact details**

Paul Benson, Private Housing Officer, Strategic Housing and Investment Service  
[paul.benson@rotherham.gov.uk](mailto:paul.benson@rotherham.gov.uk) Tel: (01709) (3)36477