

APPENDIX 5

Priority: Poverty
Sub-Priority: Fuel Poverty
Impact: Protecting people from poverty

We said in 2013/14 that we would:

1. Develop a regional ECO scheme with key partners.

Progress Comment

Progress RAG

G

Outcome RAG

G

What we did in 2013/14 –

A regional Energy Company Obligation (ECO) framework, initially focussed on social housing external wall insulation works, was developed in partnership with Wrexham, Denbighshire and Conwy councils and procured by Wrexham Council. The framework was established in August 2013. Achievements will be measured as part of the other activities in this improvement plan, in terms of measures installed, and carbon and heating bills reduced.

What went well – The council is a strong and active regional partner to energy efficiency initiatives and has worked alongside other councils such as those identified above to take forward a number of schemes, supported by both Welsh government officers and capital funding. Flintshire appreciates the need to aggregate schemes across local authority boundaries to achieve the highest levels of investment through energy company funding. Flintshire acted as a positive partner in this procurement, which resulted in the successful formation of an Energy Company Obligation Framework

What didn't go so well – The procurement was led by Wrexham Council and communication by that council and its partners could have been better. This would have aided development of the framework and an earlier implantation. Post implementation communication could also have been better. This would ensure that given the limited number of contractors on the framework (4) the councils were not attempting to call off the same contractors at the same time thereby ensuring timely delivery on site. The reduction energy company funding through ECO has also impacted on the rates per tonne of carbon that can be achieved via the framework, resulting in a reduction in the number of properties that can be improved.

Achievement will be measured through:

- Delivery of a regional ECO scheme – **Achieved August 2013**

Risks to Manage - We could be unsuccessful in establishing an ECO partnership.

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	H	R	<ol style="list-style-type: none"> 1. Work with Wrexham and other partners to develop ECO framework. 2. The overall cost of establishing the framework is split so that the most active partners contribute a larger proportion of the cost. This is to encourage involvement of less active partners. 3. There is limited obligation on partners to commit to using the framework. Partners are not forced to use the framework. 4. The framework has been tendered based on volume coming from social stock. This allows the Councils to control the volume of work put through the framework. 	L	L	G	<ol style="list-style-type: none"> 1. There may be a need to develop further ECO Frameworks or bespoke contracts, depending upon the performance of the 4 successful contractors and the types of work packages required. 2. Until the first mini-tenders are run it is unknown whether the framework will allow the Council to benefit from more specialist/ targeted investment. Any adjustment in strategy is easily achieved through a revision to the Private Sector Renewal & Improvement Policy. 3. ECO funding levels may fluctuate as funds diminish or as further opportunities become available. The Council will need to monitor this risk and adapt as appropriate. 	Gavin Griffith	↔	L	L	G

2. Help residents in the private sector to access funding support to improve the thermal efficiency of their homes.

Progress Comment	Progress RAG	G	Outcome RAG	G
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What we did in 2013/14 –

The team anticipated that in 2013/14 over 450 properties would receive improvement measures and over £100k of heating bill savings would be delivered. The initial expectation for the year was that delivery figures would be low due to the extremely high Community Energy Saving Programme Funding stopping and the energy companies taking time to formulate their new funding strategies. There was some go early money in Q1 and Q2 which the team was able to seize on when it became one of the first LAs in the UK to introduce an Energy Company Obligation funded programme with A&M Energy Solutions Ltd. The team also introduced a scheme to support local installers until the new Energy Company Obligation (ECO) funding emerged properly. This delivered positive results with over 104 owner occupied or private rented homes receiving insulation or heating works through six local small or medium sized enterprises. Anticipated annual savings of over £27,000 have been created from a Council investment of £44,000.

This pilot study was built on and in Q4 a new Affordable Warmth Fund was introduced through the Housing Renewal Policy following approval by Scrutiny Committee. This new fund will help reduce and prevent the number of Flintshire households in or at risk from fuel poverty (currently estimated at 20,000 based on National Energy Action, NEA, figures).

Council properties continue to receive improvements through the Service's commitment to meet the WHQS requirements. Initial year end figures suggest that the average SAP rating has increased from 70.96 in 2013/14 to 74.88 this year. This is partly due to the increased number of council properties receiving measures (161 this year) and also the effectiveness of the measures being installed. Solid wall insulation and gas infill programmes are delivering maximum SAP improvements and good value for money.

The Service has introduced a new procurement method for its projects following the introduction of the updated CPRs and P2P. As a result of the development of this approach (splitting materials and labour) 110 privately owned properties that were due to receive solid wall insulation in Q4 are now receiving the measures in Q1 2014/15. The benefit of this is a reduction in cost of 25% with greater control over quality and sustainability. This has also allowed smaller contractors to tender for works with a much higher likelihood of being competitive with major contractors.

Wilmot Dixon have also completed 70 properties in Central Holywell as part of the Welsh government's Arbed Programme. The Council is waiting for a formal report from the Welsh Government on the outcome of the project and the figures have not been included in the totals below as a result. The team has submitted proposals to the Arbed team for funding for Flint Oakenholt and Mostyn. We are waiting for the Welsh Government to announce the results of our application.

The Service has spent a great deal of time preparing for the 14/15 work programme which features large scale gas infill projects in Aston and Mostyn. Over 10km of gas mains has started to be laid and Wales and West Utilities expect to be on site until the end of the financial year 14/15.

Over 1000 properties are in the catchment area with 223 Council properties due to receive gas. All of the surveying work and grant applications for the Council properties took place in 13/14 with over £550,000 in grants secured towards the project so far (this finance is to be received in 2014/15 and will officially be reported in 14/15). More is expected to be secured as the private sector is brought into the scheme.

What went well – In total well over £1million has been secured in external grant funding for schemes in the last financial year, not including the above gas infill monies, with a further £550K for that scheme secured by year end. Support has been gained to expand the team and introduce four new posts that will allow the Council to innovate and develop a service that continues to drive a model that other LAs are looking to emulate across Wales. This is at a time of reductions of funding through energy companies as a result of central government changes to the Energy Company Obligation (ECO). To mitigate for these reductions the service has been engaged in smarter procurement of schemes with a labour and materials split which has delivered significant value for money savings, allowing for a greater number of properties to be completed, despite the reducing budget.

What did not go well – The Service has been slow to appoint to the four additional posts it has received approval for. The result of this is that the majority of Officer time is currently spent on delivering ‘live’ projects with less time available for forward planning and seeking out new income streams through Welsh government and the EU.

Achievement will be measured through:

- Number of households accessing ECO and other energy efficiency funding

Measure / Milestone	Responsible Officer	2012/13 Baseline Data	2013/14 Target	Aspirational Target	Year End Outturn	Performance RAG	Trend
£75,000 anticipated annual energy bill savings secured	Gavin Griffith	£270,245	£75,000	£75,000 per year	£143,430	G	Downturned
Lifetime carbon emission reduction of 5,000 tonnes	Gavin Griffith / Will Pierce	17,412 tonnes	5,000 tonnes	5,000 tonnes per year	11,661 tonnes	G	Downturned
Total number of measures installed through ECO and other energy efficiency funding	Gavin Griffith	920 measures	200 measures	200 measures per year	466 measures	G	Downturned

3. Deliver energy efficiency measures to Council homes.

Progress Comment	Progress RAG	G	Outcome RAG	G
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What we did in 2013/14 –
87 council properties have been improved so far through the programme, including 16 solid wall insulation, 70 lofts and 1 cavity wall. The Council is on track to deliver the aspirational target of 200 homes receiving measures by end of financial year 2016/17.

In line with the comments for activity 2 the team are accelerating the work programme with the intention of bringing additional value to the Welsh Housing Quality Programme as a response to the risk posed by the current and predicted volatility of grant funding on which the team depends.

What went well – The council successfully procured an ECO Scheme directly with a utility company funder and was one of the first in Wales to do so. This allowed for early completion of the planned programme of 87 Council homes receiving external wall insulation by the end of quarter 3, freeing up time during quarter 4 to prepare the 2014/15 schemes for Council homes utilising ECO funding. The schemes in Council homes have helped significantly raise the average SAP levels from 70.96 to 74.88 during this year, against a WHQS target of SAP 65.

What did not go so well – There were a small number of quality issues in connection with the work on site, which had to be addressed. However, the works were still completed and fully signed off within target time.

Achievement will be measured through:

- Number of Council homes receiving energy efficiency measures

Measure / Milestone	Responsible Officer	2012/13 Baseline Data	2013/14 Target	Aspirational Target	Year End Outturn	Performance RAG	Trend
Number of Council homes receiving energy efficiency measures	Gavin Griffith	363 homes	77 homes	200 by March 2017	161 homes	G	Downturned

Risks to Manage - Residents may not take up the energy efficiency measures available as we hope (links to activities 2 & 3)

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	H	R	1. The Council has evaluated previous programmes and identified the most cost effective measures based on capital cost and potential savings. These measures form the basis of the 2013/14 service delivery strategy.	L	L	G	1. Continue to evaluate performance and undertake customer research to identify the measures that will benefit residents most and that are most desirable.	Gavin Griffith	↔	L	L	G

Risks to Manage - Available funding might fall short of public demand (links to activities 2 & 3)

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score (when all actions are completed / satisfactory arrangements in place)		
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)	
H	H	R	<ol style="list-style-type: none"> 1. A robust 3 year business plan has been developed to ensure that the service can be sustained. 2. The business plan is based on meeting the Councils spend to save ration of £1 spent for every £5 saved or secured through external funding. 3. Discussions with stakeholders have taken place to emphasise the benefit of continuing investment in domestic energy efficiency. 	L	L	G	<ol style="list-style-type: none"> 1. Sufficiently skilled staff need to be retained / developed to ensure there is the capacity to continue to identify and secure funding opportunities and to ensure that delivery of programmes meets the standards of the Council, service users and funding providers. 2. Progress needs to be evaluated against the business plan to determine whether the model is working or not. 3. Public demand needs to be evaluated regularly to ensure appropriate investments are made. 	Gavin Griffith	↔	L	L	G

