

DERBYSHIRE COUNTY COUNCIL**CABINET****3 DECEMBER 2013****Report of the Director of Property****(COUNCIL SERVICES)****Local Authority Energy Partnership and DECC Green Deal
Communities Fund****1. Purpose of the Report**

To provide an update on the work of the Nottinghamshire and Derbyshire Local Authority Energy Partnership (LAEP) and Derbyshire County Council's continued involvement in the LAEP, including the support of a funding bid to the Department for Energy and Climate Change (DECC) Green Deal Communities Fund.

2. Information and Analysis**Local Authority Energy Partnership (LAEP)**

Since it was established in 1996, the LAEP has become a successful partnership of all 20 local authorities in Nottinghamshire and Derbyshire with a proven track record of joint working on climate change and energy efficiency schemes. Based within the Carbon and Energy Management Team, the LAEP Manager is hosted by Derbyshire County Council and the Carbon and Energy Manager is the Treasurer of the LAEP. The LAEP and its member councils are currently focusing on three related objectives:

- Reducing domestic carbon emissions
- Reducing fuel poverty, especially amongst vulnerable residents
- Improving health through housing (in partnership with Public Health)

To meet these objectives, the LAEP has been exploring how to get involved with delivering the Green Deal (a repayment scheme to fund energy efficiency improvements through savings in energy bills) and ECO (the Energy Company Obligation that provides full funding for vulnerable residents in fuel poverty and partial funding for all residents to insulate houses with no or narrow cavities) to the benefits of residents since early

2012. The following provides an overview of the activities that have resulted from this work.

DECC Local Authority Competition Fund

A successful bid was made in December 2012 to the Department of Energy and Climate Change (DECC) Local Authority Competition Fund and a total of £2.5M was awarded as follows;

- **Green Deal Pioneer Places Fund** - £347,000 was awarded to;
 - Expand the use of a housing energy database across the two counties to improve the ability of local authorities to target vulnerable households in fuel poverty.
 - Develop four area based Green Deal projects (Amber Valley, Chesterfield, Rushcliffe and Newark and Sherwood).
 - Enhance existing promotional tools to promote energy efficiency.
 - Deliver a stakeholder conference on delivering affordable warmth.
 - Through this project a total of 136 Green Deal Assessments were undertaken and 58 Green Deal Plans produced.
- **Fuel Poverty Fund** - £2,160,000 was awarded to;
 - Deliver loft and cavity wall insulation and boiler and heating systems to those in fuel poverty.
 - Through this project a total of 727 properties in fuel poverty were helped with the following measures;
 - 508 new boilers
 - 141 heating systems
 - 78 boiler repairs, loft and cavity wall insulation.
 - A total of 55 local businesses (surveyors and installers) were contracted.

As Treasurer of the LAEP, Derbyshire County Council submitted the bid on behalf of the partnership and acted as the Accountable Body for the funding. As such, the Council entered into a Memorandum of Understanding (MOU) with DECC to ensure the delivery of the funded projects in accordance with the bid proposals and within the guidelines set by DECC. In turn, an MOU was agreed between Derbyshire County Council and each of the delivery partners (district and borough councils, Marches Energy Agency and Rural Action Derbyshire). The role of Accountable Body also involved managing the budget and processing payments to the delivery partners, and an audit on the project and accounts was completed by Audit Services.

Derbyshire Public Health

LAEP councils in Derbyshire are working closely with Public Health and the NHS to develop effective referral pathways for vulnerable residents in fuel poverty. In July Cabinet agreed to prioritise Public Health Investment into a targeted affordable warmth programme. Cabinet approval is currently being sought by Public Health for the programme to be co-ordinated and delivered by the LAEP through a service level agreement.

Energy Agency

Through work carried out to date, the LAEP have concluded that the establishment of a not-for-profit energy agency would be the best way for councils to operate and gain best advantage for residents from Green Deal and ECO opportunities in the long term. It is envisaged that the agency would use housing data and local knowledge to generate leads for ECO and Green Deal eligible households, selected ECO utilities or installers would then receive the leads and pay a referral fee to sustain the energy agency. Work is currently underway to produce a business case by March 2014 at which time a further report will be submitted to Cabinet with details of how the agency would operate.

DECC Green Deal Communities Fund

In July 2013, DECC announced a further £20M of capital funding to local authorities, inviting proposals of at least £1M and up to £3M, of which 10% can be used to meet revenue costs, to achieve the following objectives;

- Maximise delivery of Green Deal plans and create future demand for the Green Deal
- Create a strong link to deliver joint Green Deal and ECO activity
- Build a market for high impact, hard to treat measures, such as solid wall insulation
- Drive an area based approach enabled by Green Deal and Eco

As the fund objectives align with those of the LAEP, the LAEP will be submitting a bid to the Green Deal Communities Fund. At the time of writing this report, the bid proposal is not finalised, but it will build on lessons learned from the Green Deal Pioneer Places Fund and utilise the housing and householder data to target appropriate housing, including solid wall properties and those with hard to treat cavities, within rural and market town areas.

Bids can be submitted from September up to 31st December 2013, or until the £20M of funding is exhausted and as such the LAEP is aiming to submit the bid in early November. If successful, the project funding will be allocated by 31st March 2014 and projects completed by December 2014. As with the previous DECC funded projects, an MOU will be agreed between the parties. Full payment of the grant funding will be made on receipt of the signed MOU by DECC. As with the previous DECC fund and

in the role of Treasurer of the LAEP, it is recommended that Derbyshire County Council support the submission of this bid and act as the Accountable Body, which will again be subject to agreements with each of the delivery partners.

3. Council's Commitment

Derbyshire County Council's support of the LAEP's work programme and forthcoming bid submission to DECC's Green Deal Communities Fund, cements the Council's commitment to work with district and borough councils to reduce fuel poverty by improving the energy efficiency of people's homes. The previous DECC funded projects further developed the green technology sector with 55 local businesses used across the LAEP area in the delivery of fuel poverty projects, which also helped to reduce Derbyshire's carbon footprint. The current work being undertaken with Public Health and Derbyshire LAEP authorities, also clearly demonstrates the Council's commitment to work with district and borough councils to identify and support health improvement work.

4. Financial Considerations

Derbyshire County Council resources will be required to deliver the Green Deal Communities Fund. Based on the time committed by the Council's Carbon and Energy Manager / LAEP Treasurer to the previous DECC funded project, revenue allocation will be included in the bid to cover the time costs associated with the management of the fund.

5. Other Considerations

In preparing this report the relevance of the following factors has been considered; financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health and transport considerations.

6. Key Decision

NO

7. Call-in

Is it required that call-in be waived for any decision on this report? **NO**

8. Background Papers

30 July Cabinet Report minute number 190/13

9. OFFICER RECOMMENDATION

That Cabinet:-

- 9.1 Notes the work currently being undertaken by the LAEP.
- 9.2 Notes the submission of a bid to DECC's Green Deal Communities Fund and, if successful, agrees that Derbyshire County Council should act as the Accountable Body subject to signed agreements with each of the delivery partners.
- 9.3 Supports the principle of establishing an energy agency subject to a fully detailed and viable business case being submitted to Cabinet.

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