

- (b) That it be noted that the total cost of the programme is paid from ECO2t (Energy Company Obligation 2 – transitional) funding and there are no costs to the Council apart from the officer’s salary costs leading the project.
- (c) That it be noted that the proposed programme is set out to deliver on the new Housing Strategy Action Plan.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The proposed programme of improving energy efficiency of homes in Slough by providing energy efficiency measures to our vulnerable private sector residents is one of the most effective ways of improving thermal efficiency of homes and reducing their fuel bills.

Not only this, it is an important component of reducing the need for energy but it is a key factor in tackling fuel poverty and more importantly addressing health inequality. Public Health England Review states:¹.

- *Cold homes can affect or exacerbate a range of health problems including respiratory problems, circulatory problems and increased risk of poor mental health. Estimates suggest that some 10% of excess winter deaths are directly attributable to fuel poverty and a fifth of excess winter deaths are attributable to the coldest quarter of homes.*
- *Cold homes can also affect wider determinants of health, such as educational performance among children and young people, as well as work absences.*
- *Tackling fuel poverty and cold home-related health problems is important for improving health outcomes and reducing inequalities in health in England. Local authorities and public health are well placed to address issues relating to fuel poverty*

This is therefore very much in line with the Joint Wellbeing Strategy in taking practical steps to improving health, wellbeing, social mobility and educational attainment of Slough residents by improving the physical condition of their homes.

3a. Slough Joint Wellbeing Strategy (SJWS) Priorities

Similarly as Housing has been recognised as the key determinant of Health & Wellbeing, this project will play a key role in improving Health and Wellbeing through better housing. Department of Health publication; “*Improving outcomes and supporting transparency*” entitled²: **Part 1A: A public health outcomes framework for England, 2013-2016** has recognised housing as a key determinant of health. This document and subsequent policy directives compel Local Housing Authorities to improve health and wellbeing through better housing. There is a general consensus that through better housing significant savings will be achieved in health and social care costs.

¹ [Fuel poverty and cold home-related health problems - Gov.uk](http://www.gov.uk)

²

https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwiP7JPu2_nLAhWHWhQKHT6hBLwQFgghMAA&url=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachme nt_data%2Ffile%2F263658%2F2901502_PHOF_Improving_Outcomes_PT1A_v1_1.pdf&usg=AFQjCNFb9ZbHgLTmpNOI mZwWowXurC-sLw

This programme and its objectives are very much in line with SJWS priorities and feeds into the outcome the Strategy set out to archive, 'Better Health through Better Housing'.

3b **Five Year Plan Outcomes**

In line with the national policy directive and best practice, Slough's 5 Year Plan has put "People First" at the heart of its vision

Putting people first, ensuring Slough residents live in good quality Housing is the golden thread that runs through the 5 Year Plan and the New 5 Year Housing Strategy. This proposal will be delivering the vision of '**People First**' whilst helping to deliver :

- Affordable warmth to our most vulnerable residents to live healthier and tackle fuel poverty– **Outcome 2**
- Improve the physical condition of homes occupied by vulnerable residents by installing energy efficiency measures – **Outcome 4**

4 **Other Implications**

(a) Financial

There are no financial implications on the Council as a result of this programme; the Council may undertake promotional activities in support of this campaign but will meet these from within existing budgets. All costs associated with the delivery of this programme including the cost of measures such as insulations, boiler replacement etc., the publicity, communication and advertising campaign will be met from the funding allocation to the Agent, Aran Energy Services (AES). AES is funded by 5 utility Companies, including British Gas and ED. Funding confirmation is available on request.

The previous supplier obligation, known as the Energy Company Obligation 2 (ECO2) came to an end in March 2017. That has now been replaced by a new scheme called ECO2t (transitional). This is designed to focus on tackling fuel poverty as well reducing energy consumption and CO2 emissions. Details and qualifying criteria for the ECO2t are set out in a guidance which can be found through following link .

<https://www.ofgem.gov.uk/publications-and-updates/energy-company-obligation-2017-18-eco2t-guidance-administration>

As described under point 3 of this report the outcome of this programme has a significant impact on health and wellbeing of Slough residents which would result in considerable financial savings to Health and Social Care. This is the only realistic route left to the Council to effect the improvements of private sector homes which make up 80% of the total housing stock in Slough in terms of energy efficiency .

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	The Memorandum of Understanding (MoU) governing the project has been drawn up by our Legal Department. We took	To improve Energy Efficiency of private Sector homes and tackle fuel poverty amongst vulnerable residents

	references from 5 other Councils who have been working with Aran Energy Service and carried out a Financial check all of which were positive and did not raise any concerns	
Property	none	
Human Rights	none	
Health and Safety	none	
Employment Issues	none	
Equalities Issues	none	
Community Support	We intend to work with SVS to run community events to publicise the scheme and complete phases of community engagement in targeted areas.	To maximise the uptake of funding
Communications	Will be working with comms team to run an effective campaign to maximise uptake	To maximise uptake of the available grant, improve the quality of housing and reduce / tackle fuel poverty
Community Safety	none	
Financial	None	
Timetable for delivery	If this proposal is agreed and endorsed, we plan to take the required steps to start the delivery from mid to late October 2017 as ECO2t Scheme comes to an end in September 2018. Aran services are happy to confirm any future working relationship under future energy programmes.	We have around 10-11 months to run this programme and capture maximum number of eligible residents to avail of the funding
Project Capacity	The delivery agent has flexibility in utilising resource and redeploying in Slough should it be required	To maximise uptake of funding
Other	None	

(c) Human Rights Act and Other Legal Implications

This programme has been developed, supported and regulated by the Government Department through ofgem. The MoU between the Council and AES has been drafted and reviewed by Slough's external legal partner (cripps). There are no adverse Human Rights or legal implication in respect of this programme.

(d) Equalities Impact Assessment

These proposals will have a positive impact on all those residents who qualify for this nationally introduced ECO2t assistance. In the main those residents whom are considered to be vulnerable will qualify for this assistance which means that there will be no adverse impact in respect of anyone with one or more protected characteristics as defined by the “Act”. As such, the Council considers that there is no need for an Equalities Impact Assessment to be carried out and that in making the decisions set out in the recommendations the Council will be acting in compliance with its duties.

(e) Workforce

Not applicable.

(f) Property

Not Applicable. This is based on clients (residents) and their homes qualifying for funding to improve energy efficiency. Publicly owned buildings are not covered under this programme.

(g) Carbon Emissions and Energy Costs

One of the key aims of this programme is to reduce emission of CO2 from residential homes. We will be reporting back on CO2 savings and reduction as part of the KPI and outcome we are seeking to achieve through this programme.

5 Supporting Information

- 5.1 As is well documented , under various legislations and directives LAs have a statutory obligation to reduce CO2 emission in their areas with various target dates culminating in 80% reduction by 2050.
- 5.2 On 28 February the BBC Head Line reads ³ ‘UK must insulate 25 million homes’
Roger Harrabin of BBC writes, “The authors of a report to Parliament say 25 million existing homes will not meet the insulation standards required by the mid-century. The UK needs to cut carbon emissions by 80% by then – and a third of those emissions come from heating draughty buildings.”
- 5.3 The government said it would devise policies as soon as possible.
- 5.4 The report adds – ‘ from a group of leading construction firms – the Green Building Council – says four out of five homes that will be occupied in 2050 have already been built. That means 25 million homes need refurbishing to the highest standards by 2050 – at a rate of 1.4 homes every minute.’
- 5.5 Some Councils have been more active than others in taking advantage of various funding sources in the past few years to improve energy efficiency of homes in their areas. This was particularly prevalent in areas with an active/ progressive Regional or Sub-regional partnership.
- 5.6 Considering the lack of accurate information about the housing stock, the Council commissioned the Building Research Establishment (BRE) to review Slough’s

³ <http://www.bbc.co.uk/news/business-39107973>

Private Sector Stock and provide a range of information/data about the condition of the stock. This included the level of energy efficiency in Private Sector Homes, which indicates that the level of energy efficiency of properties in Slough to be below the regional and national averages. However, the accuracy of data and level of details provided present the Council with a great opportunity to take steps and significantly improve the energy efficiency of homes identified as being below the required standards. This will help to alleviate fuel poverty, improve health and wellbeing and reduce CO2 emissions.

- 5.7 The Data obtained from the Stock Modelling clearly and accurately identifies areas and properties that lack the required level of insulation which significantly contribute to fuel costs (level and instance of fuel poverty) and CO2 emissions. At the same time the Utilities Companies have obligations to improve energy efficiency of residential properties through retrofit programmes. The ECO2t which is the transitional scheme for 2017-18 has replaced the ECO2 2015-17 whilst a longer term solution is being developed to help LAs to meet their obligation and targets for 2020, 2030 and 2050 which is the reduction of CO2 by 20%, 50% and 80% respectively. The scheme is regulated by Ofgem details of which can be found through the following link

<https://www.ofgem.gov.uk/publications-and-updates/energy-company-obligation-2017-18-eco2t-guidance-delivery>

- 5.8 In Slough, our newly commissioned stock modelling data indicates that over 31% of (13, 319) cavity wall construction properties are not insulated at all and worse still over 43% of lofts (15,895.) have no or inadequate levels of insulation. This does however present the Council with an excellent opportunity to develop a partnership to initiate a proactive evidence based retro fit programme to improve the energy efficiency of as many of those uninsulated properties through the revised ECO2t.
- 5.9 The attractiveness of Slough's proposition for Utility companies and their delivery agent centred around the fact we are able to support them by supplying them with the areas requiring improvements and insulation. That is the reason why the Agent we had our initial discussion with is extremely keen to start working in Slough and deliver the much needed energy efficiency measures.
- 5.10 As part of our initial investigation to establish availability of a potential scheme or funding, we found Aran Energy Services (AES) who are currently very active in East Anglia and the East of England, delivering energy efficiency measures funded by British Gas under their ECO2. In our research on line, we did not find any other Agent actively pursuing any insulation programme in Slough or indeed throughout the whole of Berkshire. In addition, AES was the only Agent that appeared to have a clear and easy to understand material on line in relation to energy efficiency, ECO funding or other solutions. An AES representative very quickly approached Slough to start the discussion and demonstrated their desire to set up this partnership.
- 5.11 Furthermore, to ensure we comply with all the relevant procurement and legal requirement we fully consulted with the Head of Procurement and the Legal Team. The Head of Procurement is satisfied that given there will be no financial transactions between SBC and AES, and the fact this is NOT an exclusive access for AES to deliver energy efficiency measures under ECO2t in Slough;, the proposal does not require tendering expertise.

5.12 To protect the Council in legal and reputational terms, the Group Solicitor Property & Regeneration and Acting Head of Legal Services reviewed the proposal and has provided advice on legal issues, draft MoU and carrying out the due-diligence check on AES standing. We have completed all the required due diligence and we are at the final stage of completing the MoU which will be signed after approval from the Cabinet. These include:

- We have sought references from 5 Local Authorities where AES ran similar schemes. All five reference requests have responded and their comments are unanimously good or excellent. I have attached a couple as samples which show the specific information we requested.
- Financial check on AES's financial standing has been carried out and there are no concerns about their financial stability. AES is funded by British Gas and EDF to deliver their obligation
- MoU drafted by Slough's Legal Team and has been further revised by Tom Trowhill of Cripps (External Solicitor), the final draft of which is attached as Appendix 1.

Who are Aran Energy Services

5.13 Aran Services Ltd provides an end to end solution for the improvement of energy efficiency in homes and businesses nationwide. Dedicated to delivering cost effective home improvement solutions. The link below provides full details about their company and what they do. <https://www.aranservices.co.uk/>

5.14 Aran Energy Services continues to work closely with Government bodies, energy suppliers, and manufacturers ensuring best practice in this area. We were advised that although they are working with all energy providers, they are formally in partnership with British Gas (BG) in delivering energy efficiency measures to meet BG's ECO commitments.

What is proposed

5.15 Under this proposal, if the Council enters into partnership with Aran Energy Services and signs the MoU, it will allow AES to contact the residents who live in poorly insulated homes and offer them whatever measures they may be entitled to. This could include:

Priority Measures	Or	Depending on resident circumstances
Loft Insulation;		Replacement Boilers;
Cavity Wall Insulation;		Replacement Electric Heating; and
Room in Roof Insulation		Solid Wall Insulation (external & internal)

This will be followed by a pre-arranged full assessment of their property with a view to identifying measures that will improve the energy efficiency of their home and reduce their fuel bill. It must be noted that Landlords are required by law to have a valid and up-to-date EPC which shows the energy rating of the property they are renting. From 2018, private landlords are not allowed to let properties that are below E rating. Similarly, anyone selling their property by law is required to have a valid and up to date EPC

6 Comments of Other Committees

None

7 **Conclusion**

Utilising ECO2t is the only funding mechanism available to residents to improve energy efficiency of their homes, thus tackling fuel poverty and improving health and wellbeing. This proposal provides the Council with a great opportunity to improve energy efficiency of the private sector stock, which makes up 80% of the total housing stock, through external funding.

8 **Appendices Attached**

A Memorandum of Understanding

B Sample promotional letter to residents detailing the level of grants and criteria.

9 **Background Papers**

1. Energy Company Obligation 2017-18 (ECO2t) Guidance: Administration
2. Slough 5 Year Plan
3. Slough's Housing Strategy 2016 – 2021