

## Report of the Portfolio Holder- Economic Development and Asset Management

**ECO4 Funded Managed Services Agreement**1. Purpose of Report

To seek Cabinet approval to enter into a funded Eco managed service contract with The Warmfront Team Ltd (WFT) and J&J Crump and Son Ltd, to carry out energy performance improvement works to the Council's housing stock.

2. Recommendation

**Cabinet is asked to RESOLVE, that the request to enter into the contractual service agreement with The Warmfront Team Ltd (WFT) and J&J Crump and Son Ltd, be approved to enable the Council to utilise funding from, the Great British Insulation Scheme (GBIS) and The Energy Company Obligation Scheme (ECO4).**

3. Detail

The Energy Company Obligation (ECO4) is a government energy-efficiency scheme in Great Britain designed to tackle fuel poverty and help reduce carbon emissions. ECO is an obligation placed on energy companies to deliver energy efficiency measures to domestic premises. Although ECO is not a grant scheme; it is up to the energy companies to determine which retrofit projects they choose to fund, the level of funding they provide and the Retrofit Coordinator and installers that they choose to work with. The Scheme will run until 31 March 2026.

To qualify for consideration, a property must start with an Energy Performance Rating (EPC) of E, F or G and following any installation measure identified, those measures must move the property up by a minimum of 2 EPC rating bands.

The following measures will be targeted as part of this agreement:

- cavity wall insulation
- loft insulation
- party wall insulation

WFT have carried out site based thermal efficiency reviews of the Council's housing stock and have identified 583 properties that will likely qualify for ECO4 funding subject to a further PAS2035 retrofit assessment.

The Great British Insulation Scheme (GBIS) formerly known as ECO+ is a new government energy efficiency scheme that is in place to support the ECO4 scheme, but reaches out to the properties that would not qualify for energy improvement funding under ECO4.

It offers funding for single qualifying energy improvement measures but has no minimum EPC band movement requirements. Properties with a D, E, F or G rating qualify for this funding. Following WFT on site thermal efficiency review they have identified 77 properties that would likely qualify for GBIS funding subject to a further PAS2023 retrofit assessment.

It is worth noting that cavity wall insulation is the only fully funded measure and is the only measure that will be considered initially under this scheme.

The funding will enable the Council to carry out energy improvement works to circa 660 properties across the borough, offering a potential cost saving on future expenditure of c.£3.3m and improving the energy efficiency of our stock, reducing fuel poverty and reducing our carbon emissions.

#### 4. Financials

In entering this agreement, the Council would enjoy the benefit of the works and/or services carried out under it without any liability for costs.

It has been estimated based on benchmarked projects from WFT that the potential available funding to carry out energy measures is around £3.3m (as set out below). All works will be subject to further retrofit assessments, but the Council will shoulder no liability for any abortive costs.

Funding Stream	Number of Properties	Value(£)
GBIS	77	£0.115m
ECO4	583	£3.200m

Whilst the services and works are fully funded, there are elements of cost for the Council to run this project, as outlined below. The forecast costs are for a 12-month delivery programme and it is anticipated that these costs can be met from existing budgets and resources.

Service / Works / Description	Forecast Costs £
<b>Project Management</b> of the delivery of the project and data capture lead (0.5 days per week)	£6k
<b>Project Administration</b> for Assistance with access; completion of eligibility requirements forms; and general administration (0.5 days per week)	£4k
<b>Clerk of Works</b> to ensure quality assurance of all works (1.0 days per week)	£25k
<b>EPC</b> to capture and record improvements in the performance of housing stock	£36k
<b>Legal</b> to review the contract prior to entering into it to ensure due diligence and safeguard the Council.	£5k
<b>Total Costs</b>	<b>£76k</b>

5. Key Decision

This report is a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as it will result in the Council incurring revenue or capital expenditure or savings of £250,000 or more and be significant in terms of its effects on communities living or working in an area comprising two or more Wards or electoral divisions in the Council's area

6. Updates from Scrutiny

Not Applicable.

7. Financial Implications

The comments from the Head of Finance Services were as follows:

There is currently no specific budgetary provision for these retrofit works within the approved revenue estimates and/or capital programme in 2024/25.

The estimated costs of the works is in the region of £3.3m and would be fully funded from external resources as detailed above. WFT would make the necessary application directly to the energy companies.

Any additional costs to the Council associated with project management and administration, clerk of works, EPC and legal costs, estimated at £76k for 12 months, would be contained within existing budgets and resources.

There are no direct procurement implications for the Council to consider. The energy companies will determine which retrofit projects to support, the level of funding provided, and the retrofit coordinator or installers they choose to work with (in this case WFT and J&J Crump and Son).

8. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

Whilst this scheme is not a statutory obligation it does support the Government's aims to tackle fuel poverty and help reduce carbon emissions. As the scheme is fully funded and between external companies there are no procurement or state aid implications. Legal Services will provide legal support at each stage of the process.

9. Human Resources Implications

Not Applicable

10. Union Comments

Not Applicable

11. Climate Change Implications

The climate change implications are contained within the report.

12. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

13. Equality Impact Assessment

Not Applicable

14. Background Papers

Nil.