



SCRUTINY COMMITTEE

Thursday 26 September 2019

COMMUNITY ENERGY SAVING PROGRAMME 2011

EXECUTIVE SUMMARY

1. This report provides the Scrutiny Committee with information about the Community Energy Saving Programme (CESP), the impact on local residents and the role of Waveney District Council in this project.
2. CESP was a new initiative at the time, which targeted certain areas of the country with high levels of social deprivation. Harbour Ward in Lowestoft was one of the eligible areas. The Councils in Suffolk work together on energy efficiency programmes under the auspices of the Suffolk Climate Change Partnership but the limited geography of this project took it outside of that arrangement.
3. The report explains how subsequent projects have been delivered through the Suffolk Climate Change Partnership. The report outlines how this arrangement operates, how the programmes are externally funded through bids to deliver energy efficiency and fuel poverty programmes and how control over contractors and quality of works is achieved.

Is the report Open or Exempt?	Open
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Wards Affected:	Harbour and Normanstone
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Cabinet Members:	Councillor Richard Kerry, Cabinet Member with responsibility for Housing and Councillor David Ritchie, Cabinet Member with responsibility for Planning & Coastal Management
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Supporting Officers:	<p>Cairistine Foster-Cannan Head of Housing Services</p> <p>Teresa Howarth Principal Environmental Health Officer (Housing)</p> <p>Mark Harvey Building Control Manager</p>

1 INTRODUCTION

- 1.1 At the Full Council Meeting of Waveney District Council in January 2019 it was resolved that the Scrutiny Committee of the new East Suffolk Council would be asked to consider the involvement of the Council in the Community Energy Saving Programme 2011 (CESP), with a particular focus upon the Council's processes and procedures for endorsing external companies, who may use sub-contractors, and the processes for monitoring the standards of work.

2 BACKGROUND

- 2.1 CESP was created as part of central Government's response to concerns about the costs of home energy consumption. It was funded by the Energy Supply Companies from surcharges payable by all customers. Certain areas of the Country were identified as eligible for the funding which was to be delivered on a street by street basis. Harbour ward in Lowestoft was one of those areas.
- 2.2 In Harbour ward, the funding was provided by Npower; Climate Energy Ltd were the main contractor with Mitie as a sub-contractor; Bright Green provided the community support and the Yard Project delivered loft and cavity wall insulation.
- 2.3 Waveney District Council and Suffolk County Council supported the initiative, under the mantle of energy efficiency and climate change concerns.
- 2.4 The scheme was launched in 2011 with households being offered a whole house assessment by Bright Green to identify what works they could apply for under CESP. WDC allowed Bright Green to use their logo to support the project. A range of works were offered including loft and cavity wall insulation, heating and external wall insulation (EWI). Installations were carried out until 2012.
- 2.5 The installation of EWI is controlled works for Building Regulations. Installers of the EWI system are certified competent installers and are legally responsible to notify Building Control of the commencement and completion of each installation. For this project, to reduce costs to the scheme, applications were tailored to support the mass installations of EWI and submitted prior to works commencing.
- 2.6 In a number of cases EWI installations, sub-contracted to Mitie, were not carried out correctly, leading to issues with the standard of works. Building Control were contacted by a number of residents raising concerns about defective properties and many properties without certification. Building Control actively approached Climate Energy and

Mitie with little success. No resolution of the defective workmanship notified to Climate Energy was made and, in Autumn 2015, Climate Energy went into receivership.

3 SUPPORT FOR RESIDENTS

- 3.1 Officers from the Council have met with residents on numerous occasions and have liaised with the MP Peter Aldous who has used his influence to communicate with Mitie and Npower at the highest level. During this process it has become clear that the role of the Council in this project was not properly communicated to residents by the parties involved. Residents had unrealistic expectations about the Council's responsibility to resolve their issues.
- 3.2 Building Control (Mark Harvey, East Suffolk and Ipswich BC Partnership Manager) have supported the affected residents and liaised with Peter Aldous MP for much of the past year. This has led to residents having a far greater understanding of the Building Control role, the nature of the CESP project and the contractual obligations between themselves and Climate Energy/ Mitie but has not yet delivered a resolution of the building defects.
- 3.3 There has been a clear expectation set that Mitie will, following them taking legal advice, survey and address all the defective properties. This has, however, not yet commenced. The Council has no legal or contractual responsibility to be able to pursue this on behalf of the residents but Building Control will look to continue to support Peter Aldous MP in raising the clear deficiencies of Mitie and CESP at the highest possible level.

4 LESSONS LEARNT

- 4.1 The Council's role in this project was to endorse the benefits of home energy efficiency improvements. The Council did not procure the contractors or have any direct involvement with the funders and therefore is not able to formally intervene.

The CESP was a different energy efficiency programme to those usually promoted by Suffolk Councils in that it was only rolled out in one ward in the Waveney DC area. All subsequent energy efficiency programmes have been across Suffolk and have been based on a different model under the control of the Suffolk Climate Change Partnership/ Suffolk Energy Action Link. This partnership has been able to bid directly for funding, manage and control delivery via procured contracts. This has brought the quality of work, appointment of suitable contractors and overall financial responsibility within the Councils' control. Schemes to deliver first time central heating to households struggling to pay their energy bills, external wall insulation programmes, and loft and cavity wall programmes have all delivered benefits to East Suffolk residents in terms of health and financial benefits and have contributed to a reduction in carbon emissions.

5 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?

- 5.1 Supporting programmes that deliver energy efficient, carbon reduction and fuel poverty improvements is consistent with the Council's Business plan in particular sustainably improving the quality of life for those living in east Suffolk; enabling communities and

delivering against the critical success factors relating to housing and health; and delivering against the Housing and Health Charter.

6 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 6.1 Successful bids to fund projects such as those detailed in this report are subject to individual contracts between the funder and the receiving authority. These detail the project specific financial and governance arrangements and are subject to scrutiny by the financial and legal teams of the receiving authority.
- 6.2 The Councils in Suffolk are all signatories of a consortium agreement which enables them to deliver energy efficiency projects collectively, through a lead authority. This delivers efficiency savings and helps ensure a consistent offer to all Suffolk residents. To date the lead authority role has been taken by Suffolk Coastal District Council/ East Suffolk Council and Suffolk County Council, according to the size of the fund.
- 6.3 The Suffolk Climate Change Partnership receives quarterly reports on progress of project delivery.

7 CONSULTATION

- 7.1 No external parties were consulted in the preparation of this report

8 REASON FOR RECOMMENDATION

- 8.1 The report provides clarity over processes currently in place in relation to externally funded projects which deliver energy efficient improvements to residents' homes.

RECOMMENDATION

That the Scrutiny Committee receives, considers and comments upon the contents of this report