

RECORD OF CABINET PORTFOLIO HOLDER DECISION

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision Ref. No.	PH043
Decision made by	Councillor Alison Freer Portfolio Holder for Climate, Access and Engagement
Decision Title	Energy Efficiency Measures in Private Sector Housing (LAD2)
Key decision?	Yes
Date of decision (same as date form signed)	5 August 2021
Name and job title of Officer requesting the decision	Pranali Parikh Director for Growth and Regeneration
Officer contact details	pparikh@melton.gov.uk
Decision	<ol style="list-style-type: none"> 1. To note the steps taken to date and approve the bid for ongoing funding; 2. To accept and receive the grant funding of £355,000 from LAD2 3. Authority for the Director of Growth and Regeneration to procure and award a contract to implement the works to deliver the project within the prescribed timeframes.
Background	<p>Background to the Scheme</p> <p>The Government announced the Local Authority Delivery (LAD) Scheme in July 2020 to support English Local Authorities, with up to £500m with the aim for helping those most likely to be in fuel poverty. LAD is predominantly a domestic energy efficiency scheme, including insulation and low carbon heating fund for low income households across England.</p> <p>Delivery was been split into two phases; with Phase 1 (£200m) funding being allocated through two LA competition managed by BEIS and Phase 2 (£300m) funding being allocated to five Local Energy hubs to distribute within their region. The scheme aims to harness both Local and Regional expertise to identify households which are most likely to be in fuel poverty and which would best benefit from energy efficiency upgrades.</p>

The Midlands Energy Hub (MEH) is managing the process for Melton Borough Council.

In Phase 2, the Government has allocated £300 million to the 5 Local Energy Hubs, who will work with the local authorities in their region to deliver energy efficiency upgrades to around 30,000 homes across England by December 2021. **The MEH has allocated £386,950 to Melton Borough Council.** The biggest challenge will be to complete the project by December 2021.

Key Scheme Rules

Eligible homes are predominately EPC bands E, F and G although some D rated properties are permitted in Phase 2.

Eligible households **must** be low income –under £30k household or suitable proxy

Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) with a predominantly focused on insulation and low carbon heating. Fossil fuel is excluded.

Melton Submission

A review has been carried out of all EPC (energy performance certificates) rated E, F, & G in the Borough (which are primarily the ones eligible for this scheme). There are approx. 5250 which is about 25% of properties.

We are initially seeking households that we can potentially increase the EPC to (or towards) a C. It was determined that those on electric heating would benefit most from the solar pv. Local knowledge and intelligence was then brought in and Yew Tree Crescent was identified as the potential pilot area as a review of existing EPCs indicated that 32% of properties were rated E, F or G in one of the postcodes for that street, many households are still on electric heating and a number are likely to have a household income of less than £30k (one of the eligibility criteria). It may also enable a good proportion of the works in one area, being more favourable to an installer too.

Solar pv was proposed as it has been assessed that on an existing property with electric storage heaters with a south facing roof could improve the energy efficient from an E(42) to a C(73) and even on a north facing roof it would improve the EPC by 26 points to a D(66). In addition unit cost is relatively high at approximately £9,000 per property so that should reduce the risk of being able to complete the project on time.

With support from MEH and their appointed Customer Journey Support, Melton Borough Council has submitted an initial proposal to install 41 solar pv systems on eligible properties, commencing a pilot in Yew Tree Crescent, Melton Mowbray. This was chosen as it is known that a number of properties are

electrically heated and it is likely that the households could be financially eligible.

MEH had to confirm approval of the bid with the Department for Business, Energy and Industrial Strategy (BEIS), as MEH advised there is a 'fabric first' approach to this scheme (i.e. cavity wall and loft insulation measures should be carried out initially) which had not been specified until submission and had not been picked up by our customer journey support. We have proposed to carry out such works through ECO (Energy Company Obligation) partnership to support the LAD funding and this is was subsequently approved on 20th July by MEH.

Procurement

The Midland Energy Hub has established a DPS (dynamic purchasing system) where they have evaluated all the contractors. Each authority supplies their scope of works required/specification and potential work schedule and those on the DPS can put forward their proposal for fulfilling the project. Each authority would then have to determine their own evaluation process and evaluate each of the proposals to determine which contractor to work with to complete the project.

We have been in liaison Head of Welland Procurement since commencing on this journey and have determined with such tight timescales that the DPS may not be most effective for Melton Borough Council in this round of works. So in order to minimise delays we are working together on an expression of interest from a framework that we can call off. This will speed up the process and may enable us to access providers not on the DPS and in huge demand for all the Midlands Authorities utilising the DPS in the short time frame.

Contractors must be approved to PAS 2035 standards and TrustMark for energy efficiency measures and MCS for low carbon heating.

PAS 2035 is the retrofit standards framework. PAS 2035 essentially provides a specification for the energy retrofit of domestic buildings, and details best practice guidance for domestic retrofit projects. PAS 2035 is designed to ensure the customer receives a service and retrofit solution they expect, and that they get what they pay for.

TrustMark is the Government Endorsed Quality Scheme that covers work a consumer chooses to have carried out in or around their home. When a consumer chooses a TrustMark Registered Business, they are engaging an organisation that has been thoroughly vetted to meet required standards, and has made a commitment to good customer service.

Microgeneration Certificate Scheme (MCS) This scheme will demonstrate competence to install a range of small scale renewable and low carbon technologies in both the domestic and commercial sectors.

<p>Reason for Decision/Main Considerations</p>	<p>The Local Authority Delivery Stage 2 (LAD2) is a grant of £386,950 for Melton Borough Council from Midlands Energy Hub (MEH) in association with BEIS.</p> <p>The grant will enable energy efficiency measures to be installed in properties that we would not be in a position to assist without accessing this funding.</p> <p>There is a direct link to Corporate Priority 4: To protect our climate and enhance our natural environment</p> <p>MBC declared a climate emergency on 17 July 2019 and want to achieve zero carbon by 2030. One of the areas which will contribute to achieving this is housing standards in the private sector.</p>
<p>Alternative options rejected</p>	<p>To not go ahead with LAD2</p> <p>To defer to LAD3 and HUG commencing January 2022</p>
<p>Legal implications</p> <p>Officer/Date provided:</p>	<p>The Council has the power to receive grants.</p> <p>As this Key Decision was not published on the Forward Plan, a General Exception Notice has been published and agreed by the Chair of the Scrutiny Committee in accordance with the Access to Information Procedure Rules.</p> <p>The Council will act as the accountable body for the Scheme on the terms of provided. The Council will need to sign appropriate documentation.</p> <p>The conditions of the grant will need to be complied with and monitored because there is a risk of clawback in the event of non-compliance with the terms and conditions set out in any agreement entered into between the Council and the Funding Body. Strict monitoring of compliance will need to take place to minimise this risk.</p>
<p>Financial implications</p> <p>Officer/Date provided:</p>	<p>As per the grant agreement £30,000 has been received for feasibility work that informed the application for funding for the £355k capital grant funding. The grant can be used for revenue or capital purposes and the appropriate accounting treatment for the administrative and feasibility costs will be assessed and charged appropriately following this assessment. The remainder of the grant will be added to the Councils capital programme for monitoring.</p> <p>There is no requirement for match funding from the Council.</p> <p>If the Council decides not to draw down the allocated funding, there will not be any clawback from £30,000.</p> <p>The Financial Penalties as per the grant conditions are: The period of this Grant is from the date of allocation until 31st December 2021 (the "Grant Period") unless extended by MEH with permission from BEIS and HM Treasury as required.</p>

	<p>3.5 The Grant must be used within the Grant Period. The Council shall not spend any part of the Grant after the end of the Grant Period.</p> <p>4.4 Any unspent Grant monies shall be returned to MEH within 25 calendar days of the end of the Grant Period unless otherwise agreed between the parties.</p> <p>5.1 If the Council does not achieve the profiled delivery as set out in the Proposal, MEH may reduce the total Grant available to the Council commensurate with the percentage of profiled delivery achieved or projected to be achievable by the Council.</p> <p>8.1.5 BEIS exercise clawback provisions within the MOU; 8.1.6 MEH considers that the Council has not made satisfactory progress with the delivery of the Grant.</p>			
Other implications	The recruitment of Climate Change Officer will support the delivery of this project.			
Background papers considered				
List consultees (Where applicable)		Name	Outcome	Date
	Chair of Scrutiny	Mrs P Cumbers	Received Notification	22 nd July 2021
	Human Resources	SJ O'Connor	Agree with comments made above	04/08/2021
	Equalities			
	Communications			
Confidential Decision?	No			
Call In Waived by Scrutiny Committee Chair? (Under urgency Procedures)	<i>Agreed with Scrutiny Chair (22 July 2021)</i>			
Has this been discussed by Cabinet Members?	No			
Cabinet Portfolio Holder Signature	Email approval received Councillor Alison Freer Portfolio Holder for Climate, Access and Engagement			
Declarations/conflict of interest?				

ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.

FOR DEMOCRATIC SERVICES USE ONLY		
Form Received	5 August 2021	
Date published to all Councillors	5 August 2021	
Call In Deadline	N/A	