

MUNICIPAL YEAR 2012/2013 REPORT NO. 181

MEETING TITLE AND DATE:

Cabinet 20th March 2013

REPORT OF:

The Sustainability and
Living Environment
Scrutiny Panel

Agenda – Part: 1

Item: 13

**Subject:
Retrofitting – New Directions**

Wards: All

**Cabinet Members consulted: Cllr
Georgiou, Cllr Oykenner, Cllr Bond**

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1. EXECUTIVE SUMMARY

- 1.1** The Sustainability and Living Environment Scrutiny Panel has taken a lead role, alongside the Council's Deputy Leader, in driving the first strand of the New Directions regeneration initiative, specifically by bringing to Enfield Council some of the country's largest utility companies to discuss ways of inducing them to commit sums to retrofitting Enfield's housing stock along more eco-efficient lines, while recruiting and training Enfield jobseekers in the technologies of the future. The justification for this effort was that financial and economic analysis had revealed that the companies in question were generating substantial operating profits selling their services to consumers in the borough, with comparatively little reinvestment in the local borough's workforce. The analysis has resulted in further debate between the Council and its counterparts, with the Council being increasingly aware of (and committed to) the need to use whatever levers it has at its disposal to redress the balance of benefits between the companies operating in our borough and local residents.
- 1.2** Note that this process – commonly referred to as Enfield's Corporate Social Responsibility argument – is due to continue for the foreseeable future, with other sectors of economic actors (including banks and supermarkets) being engaged in the months and years to come.
- 1.3** The Energy Company Obligation (ECO), a government requirement that energy companies invest in home energy efficiency improvements has recently been introduced and is timely in respect of Enfield Council's work. An ancillary goal of this effort is to reduce fuel poverty, in particular in the social housing context, by helping to find funding for items such as cavity wall insulation, loft insulation and external solid wall insulation. Note that ECO not only benefits residents by cutting their fuel bills but also enables utility companies to achieve their 2015 carbon saving target.

2. RECOMMENDATIONS

2.1 That Cabinet note the referral from the Sustainability and Living Environment Scrutiny Panel.

2.2 That Cabinet note the work that has been undertaken to date and further endorse planned activities in the coming year.

3. BACKGROUND

3.1 As part of the New Directions Corporate Social Responsibility regeneration project, the Council is seeking to work with large companies to improve the level of social and economic benefits for Enfield residents, specifically by pressuring companies to spend a greater proportion of the operating profits they generate in Enfield by training and recruiting local school leavers.

3.2 Both Cllr Georgiou and Cllr Sitkin have taken a lead role on this issue with senior managers from large corporations and utility companies with an interest in Enfield. The subsequent stages of the project will involve liaison with banks and supermarkets and Cabinet will continue to be informed of progress.

3.3 The Energy Company Obligation (ECO) is a government requirement for energy companies to invest in home energy efficiency improvements. An ancillary goal is to alleviate fuel poverty, including by funding cavity wall insulation, loft insulation and internal and external solid wall insulation. Each utility company has a carbon saving target to achieve by 2015 and therefore it is mutually beneficial for the Council to work with companies in ways to improve energy efficiency. Homes in Enfield, in particular with significant deprivation, have already been canvassed, offering free insulation.

3.4 The various meetings have highlighted some excellent work that is being undertaken.

3.4.1 A utility company is negotiating with the Council on an Energy Company Obligation (ECO) disbursement pilot scheme where the company will spend some of its national allocation on housing owned by Enfield Council, in conjunction with the Council's Decent

Homes project (which will also provide the Council with valuable knowledge on how to best take advantage of the ECO deal). In addition, this will go towards the Council's agenda to reduce deprivation and will involve, for instance, the insulation of solid walls, cladding of high rise properties, ground source heat pumps, smart meters and double glazing. It is envisaged that a signed agreement between the Council and the utility company will be in place in Spring 2013.

- 3.4.2** The Council is brokering meetings between the utility company and The College of Haringey, Enfield and North East London (CONEL) plus Barnet & Southgate College, to discuss relevant training schemes for local school leavers that the company might agree to support. Similarly, discussions are being held around the possibility of a Technical College being located in Meridian Water, with the utility company potentially acting as a partner. On the 23rd February 2013 there is an Environmental Techniques Vocational Training day that LBE is co-sponsoring with Barnet and Southgate College.
- 3.4.3** Similar ECO meetings have taken place with other utility companies. Outcomes have varied, with some counterparts expressing an interest in relying increasingly on Enfield subcontractors for local work.
- 3.4.4** Meetings are also taking place with Job Centre Plus re: ECO-related recruitment, for example, the installation of smart meters and other carbon reduction actions.

3.5 The Economic Development Team has been working with Enterprise Enfield to identify and support Enfield's small and medium enterprises to enable them to join the group of providers for undertaking ECO work.

3.6 An Energy Retrofit Strategy has been developed which details the Council's approach to delivering ECO in Enfield and is scheduled to be before Cabinet in April. As part of the Energy Retrofit Strategy, mapping work is being undertaken to identify areas where energy improvement work is necessary, Enfield Homes will provide data and the Benefits Team will provide information on vulnerable residents.

4. ALTERNATIVE OPTIONS CONSIDERED

Not applicable.

5. REASONS FOR RECOMMENDATIONS

To raise awareness of the benefits of the retrofitting/New Directions scheme and to note the on-going negotiations with power companies.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

ECO creates a legal obligation on certain energy suppliers to improve the energy efficiency of domestic households. Any successful negotiations with energy suppliers will provide funding opportunities to improve the energy efficiency of Enfield's housing stocks, in particular, for households on low income and most vulnerable. Furthermore, the potential sign up by energy suppliers to provide financial support on training schemes to local people will provide some social and economic benefits for the borough. Works are underway and the financial benefits can only be quantified when agreements are reached with these energy suppliers.

6.2 Legal Implications

6.2.1 In accordance with section 1 of the Localism Act 2011, the Council has the power to do anything that an individual may do subject to any express legislative prohibitions. In addition, the Climate Change Act 2008 provided the Government with powers to create legal binding targets in relation to cutting Greenhouse Gases and increasing the use of renewable energy. These obligations relate to public sector organisations that have a duty to reduce carbon emissions in line with the government targets. Pursuance of the recommendations may assist the Council with implementation of its strategy to achieve the required targets.

6.2.2 Any negotiations and agreement made in pursuance of the objective set out in this report must be in accordance with the Council's Constitution, in particular the Contract Procedure Rules.

6.2.3 Legal agreements will need to be in a form approved by the Assistant Director of Legal Services.

6.3 Property Implications

The activities suggested in the report are welcome as they will be of benefit to Enfield residents (and in particular Enfield Home's tenants) through energy savings and lower CO2 emissions.

Energy efficiency improvements (such as cavity wall insulation, loft insulation and external solid wall insulation) are welcomed in principle as they will improve Enfield's housing stock. However, works to Council properties will need to be tailored for the housing stock in question and appropriate assessments will need to be undertaken in due course in consultation with Planning, Building Control and Property Services (where appropriate). In addition, any programme put in place to improve Enfield Home's housing stock should be streamlined with other housing stock improvement programmes and will need to be effectively managed.

Energy efficiency improvements may also impact (positively or negatively) on property values. However, it would be premature to provide further comment in this regard and would need to be assessed on a case-by-case basis.

7 KEY RISKS

No significant risks have been identified. As detailed in the report, this initiative is to the mutual benefit of both the Council and the energy companies.

8 IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

Working with energy companies to encourage them to fund retro-fitting of Council properties will reduce energy bills for the most vulnerable and reduce fuel poverty in addition to possibly providing employment opportunities for residents not currently in work or training.

8.2 Growth and Sustainability

Improving the energy efficiency of Council properties will contribute to the achievements of the Council's carbon saving and energy efficiency targets

8.3 Strong Communities

Strong partnership working between the private sector and the Council that includes recruiting and training Enfield residents will improve cohesion and strengthen communities.

9 EQUALITIES IMPACT IMPLICATIONS

It would be relevant and proportionate to undertake an equality impact assessment/analysis once the ongoing discussions result in firm proposals.

10 PERFORMANCE MANAGEMENT IMPLICATIONS

There will be regular monitoring of the progress and effectiveness of the retrofitting project. This information will inform the future direction of the programme.

11 PUBLIC HEALTH IMPLICATIONS

Fuel poverty is a significant cause of excess winter deaths in Enfield and a significant pressure on younger families who may struggle to heat their homes. Climate change has also been described as the greatest threat to the health of the public. Any measures in Enfield to reduce either fuel poverty or the Borough's carbon footprint are therefore welcomed.

Background Papers

None