

ALEO London: Spring Forum and AGM Tuesday 16th May 2017



Kindly hosted by the London Borough of Southwark

MINUTES

Attendees

Emma Adams	ARP Energy Services
Rita Varsani	BEIS
Laura Le-Thien	BEIS
Tristan Owen	Brent
Paul Soffe	British Gas
Bob Clegg	Bromley
Frances Evans	Camden
Keith Von Tersch	Capita
Malcolm Bell	Croydon
Mark Dallen	EDF Energy
Dan Alchin	Energy UK
Ieman Barmaki	Enfield
Natalie Sansom	Groundwork London
Gillian Cox	Haringey
Rory Prendergast	Hounslow
Jean Roberts	Hyde Housing
John Kolm-Murray	Islington
Daniella Gray	Keepmoat
Justine Dornan	Kensington and Chelsea
Shadia Rahman	Kingston
Helen George	Lambeth
Martin O'Brien	Lewisham
Julian Swann	National Grid Affordable Warmth Solutions
Nick Gardner	npower
Robert Marjoram	Scottish Power
Liz Warren	SE ²
Richard King	SGN
Sheryl Charles	Southwark
Giles Read	Thinking Works (Harrow)
Brody Isaac	Viridian Housing
Neil Walker	Watford

Apologies

Neil Pearce	Barking & Dagenham
Simon Evans	Osborne Energy
Christopher Chapman	SSE
Katherine Frost	Three Rivers
Zoe Dunn	Waltham Forest

1. AGM

- 1.1 Martin O'Brien reflected on activity in the past year, highlighting the work the Forum had done to shape wider programmes (evidenced by the meeting with Shirley Rodrigues) and the focus on collaboration and cross-borough working. The energy efficiency and fuel poverty agendas remain an uphill struggle for many officers, with a disconnect between the issues, the solutions that are available and the views of some Members.

It's important for local authorities to demonstrate what we can achieve, even sometimes just demonstrating it to ourselves. It's also important to share what we are doing - national ALEO are keen on case studies, large and small, of what different authorities are doing. The Chair encouraged all members to support the continued running of the Forum by paying the annual subscriptions that are now due. The Chair also encouraged all members to make the Forum work for them and offered an open invitation for anyone with ideas and suggestions for future topics to pass these on to him.

1.2 Treasurer's report:

2016/17 Financial Summary

2016/17 Invoice Summary

	Value	Total	LA Members	Associate Members
Invoices issued	£5,100.00	29	15	14
Payments received	£3,950.00	21	9	12

2016/17 ALEO London Outgoings (incl VAT)

Secretariat fees	£2820
Catering of forums	£1221.43
Committee meeting expenses	£21.62
Total	£4063.05

2016/17 Account Summary

Income	£3950.00
Outgoings	£4063.05
Account balance	TBC when bank statement received

2017/18 Current Position

Invoicing for 2017/18 has begun: 7 LA's and 10 Associates have confirmed funding so far:

Full Members

Camden
City of London
Croydon

Associate Members

ARP Energy Services
Energy for London
Groundwork London

Ealing
Hammersmith & Fulham
Kensington & Chelsea
Waltham Forest

Hyde Housing
National Grid Affordable Warmth Solution
SGN

1.3 The new **committee** was elected as follows:

Martin O'Brien	Lewisham	Chair
John Kolm-Murray	Islington	Vice-Chair
Malcolm Bell	Croydon	Treasurer
Neil Pearce	Barking & Dagenham	
Ieman Barmaki	Enfield	
Shadia Rahman	Kingston	

1.4 Ieman Barmaki was thanked for the work he had done as Treasurer over the previous year. Former committee members Fran Evans and Natalie Sansom were also thanked for their contributions.

2. Regional update
Martin O'Brien, ALEO London Chair

2.1 National activity since last meeting (Jan 2017):

- The General Election has been called for 8 June, which means that we are now in pre-election purdah. Looking at the manifestos, caps on energy prices seem to be back on the table. National ALEO are planning to write to the party leaders to set out priorities. Everything has slowed down at a national level - leading to delays in some things that we might have expected (eg, progress on minimum energy efficiency standards for the private rented sector).
- Redress funding: Ofgem consulted on how they would run the next phase of redress funding. They said that they would consider the role of local authorities in how future funds could be allocated. In March, they put out a call for a third party to allocate their funds, and this mentions partnerships of local authorities and charities. This is less than we wanted.
- EPC data had been made freely available to local authorities by BEIS. This could be accessed through the Open Data Communities resource http://www.legislation.gov.uk/uksi/2016/284/pdfs/uksiod_20160284_en.pdf
- Borough HECA reports had been due on the 31 March. A show of hands indicated a strong level of compliance among boroughs attending the meeting.
- The HNDU had announced recipients of the first round of grants under the Heat Network Investment Programme. 9 local authorities received £24m (£16m of which was grant and £8m loan). London had done well with 4 boroughs getting £5.5m in grant funding.

2.2 Regional activity since last meeting

- The GLA's Environment Strategy and Affordable Warmth Action Plan are being drafted but all that the GLA were saying about the timetable was 'after the election'.
- Better Boilers closes for applications on 9 June

- The GLA are working with Energiesprong on an Energy Leap project - this will provide £450,000 to social housing providers for 10 retrofit projects. This would need to be match funded. The deadline for participation was 19 May.
- LECF survey of carbon offset funds in London finished on 31 May and it was suggested that this was something that ALEO London should keep an active watching brief on.

3. ECO Transition and the LA Flexibility Criteria - what it means for London Boroughs

Martin O'Brien gave a presentation on ECO transition and LA flexibility (slides available).

- C:** It's not about setting criteria. You can use your professional judgement based on the data you have. The whole point is flexibility, so you don't have to set criteria early on.
- C:** If you have identified a household as eligible but they move out, you can still do the works for the new resident.
- C:** You can set an expiry date on a declaration.
- Q1:** Should we put through lots of things that we know will get rejected as a way to show the inadequacy of ECO funding? It would make the point. In principle, ECO Flex can fund anything, but only some measures will be fully funded. In Islington, we can match fund from our carbon offset fund. We need to gather evidence of what gets approved and what gets knocked back so that the system can learn and improve for ECO3.
- C:** On delegation, Islington has an SOI, with one LA so far willing to be delegated. John Kolm-Murray is happy to help others through the process if they want to get involved.
- Q2:** Is there anything going to Chief Executives to put across the top-down pressure? Something from ALEO would have recognition at a regional / London level.
- A2:** This could be done. **Action:** Martin O'Brien to lead on developing a letter. This would be stronger if it could evidence local authorities that have already signed their SOI (Islington have, K&C are close).
- C:** Because it's not a statutory requirement, a message from BEIS might not be as strong. Something which shows local / regional government leading the way might resonate more with Local Authority Chief Executives.
- C:** We are very limited on staff resource, so my business case for this is to say "other people are doing the work for me."
- Q3:** It depends how much verification you want to do. For example, if a respiratory nurse refers someone, we would trust them; if it's a self-referral, we would ask more questions. It depends on your referral route. If SHINE is getting people in other Boroughs, we would send it through for signature. If you're doing it yourself, you may have to put some work into verification.
- Q4:** There's an issue about the relationship with the supplier - the consultation element seems a bit pointless, then asking if it's ok to install a measure seems like a tick box exercise.
- A4:** The SOI needs to give you grounds for signing things off or not, so nothing is being presumed.
- Q5:** Are you happy to get Chief Executive sign off for an SOI even if you don't know whether you're going to get any ECO money coming in?
- A5:** The ideal situation is that every local authority has an SOI, and a scheme to identify householders, and a relationship with suppliers. That's not going to happen. But if everyone has an SOI you can at least have a situation where you find a vulnerable resident who's

outside the scope of Affordable Warmth: even if you have one, the SOI gives you the option to help them. It's still worth doing even if you're not going to run a proactive referral programme.

Q6: How would you put in your criteria?

A6: You'd have to put something in, but if you had assurance that the householder was vulnerable (eg, from a hospital discharge team) then you could sign them off.

C: You're not means testing. You are using evidence that is less than means testing. You're not setting criteria. You're saying "these are the sorts of ways that we would find people".

BEIS: A big part of our job is to gather evidence. It's up to local authorities to use their judgement on who is eligible, but there has to be some sort of criteria so you can show that you've helped the right people. Is the SOI doing anything to help people? Criteria don't have to be strict.

Q7: If in your SOI you'd said "health vulnerability as per the NICE guideline", and you had referrals coming from health teams, would that be enough? And if you identified local authority or other services that do means testing, could you use that evidence, as it's from a trusted source?

BEIS: Both of these would be fine.

C: It's actually quite straightforward. Writing an SOI and putting it on your website is the minimum to do.

BEIS: We have seen very few SOIS - we would like to see them, as part of our evidence gathering, and we could publish them on our website.

C: It would be good to publish these next to HECA reports.

Q8: From a contractor point of view, it's about managing resident expectations. Would we need to work with a specific supplier to do installs under an SOI?

A8: The local authority is not responsible for identifying measures; that has to fall to the obligated party.

Ofgem: We want to see that you are actively targeting people, not doing the measures first and then signing them off.

Key points in summary:

- Without a signed and published Statement of Intent the borough cannot use Flexible Eligibility
- The Statement of Intent must set out the approach the local authority will take to setting criteria
- Boroughs should avoid creating additional work and align their approach to flexible eligibility with the way they already work on fuel poverty. For example: households referred through frontline staff working with people in need could be deemed eligible without any further assessment if they do not already qualify for ECO Affordable Warmth
- Even areas without an active referral network can benefit from having a Statement of Intent in place, as it means that if they are in contact with just a handful or even one vulnerable household during next winter that would otherwise not qualify for heating works or insulation they can make a difference by declaring them eligible.
- The model SOI based on Islington's can be adapted by any borough
- If boroughs are unsure of the approach they should take then they can seek advice from Lewisham, Islington or their neighbouring boroughs

4. ECO Transition - how we want to work with you

Dan Alchin, Energy UK, plus representatives from some of the major energy suppliers

- 4.1 Dan provided some introductory comments. Energy UK is the trade association for the energy industry, and its members include 11 obligated suppliers. Energy UK is pleased to see a greater focus on targeting fuel poverty during ECOt and the focus on people in need.

We are all very conscious that, when trying to deliver an obligation, finding eligible households is difficult. We want to support LA Flex and see it work. Routes that help us to find households are welcomed. The energy companies didn't want a cap on LA Flex - we want to prove that it works and see more going forward. Previously, we have been limited in who we can target because of benefits criteria; we recognise that there are a lot of people who are not on benefits but who are in fuel poverty.

The technical potential for cost effective measures is shrinking, so the more routes to market we have, the better. If LA Flex can be proved to work, it can open up other routes - GPs, housing associations, hospitals. This is where the next few months are going to be crucial.

We need to demonstrate that: local authorities can identify households; that contractors can deal with referrals; and that suppliers want to do this. If we can do all three of these, then LA Flex can really work.

It's important to remember that eligibility does not mean entitlement - so we have to manage customer expectations. Also, LA Flex is not the suppliers' only route to market so it needs to be cost effective to compete with other routes in the obligation. And we need to monitor the admin load - it feels light touch to us, but we don't know how it feels for local authorities.

4.2 Paul Soffe, British Gas

It's too early to say what our approach will be. We have been closing down old schemes and starting new ones. We have set aside a budget for Flex schemes and are relying on local authorities, housing associations and installers to bring people to us.

Traditionally, we have done direct funding with local authorities, but now we are concentrating on working with installers and managing agents who are approved by local authorities, and contracting directly with them. We are open to other suggestions

4.3 Nick Gardner, npower

We have been very supportive of community led initiatives throughout ECO. Local authorities developing an aggregation approach is good for us - we get numbers through rather than individuals. We are open for business. We see the 10% as a good pilot initiative.

4.4 Mark Dallen, EDF Energy

We do not have our own installer base - it's all contracted. We welcome ECOt and LA Flex - it will help to target people who may have missed out before. We would use our own contracted installers to install measures coming through LA Flex, it reduces procurement barriers. We welcome that LA Flex is a trial and would like to see others such as housing associations and charities being able to put people forward.

4.5 Robert Marjoram, Scottish Power

We would also deliver through managing agents and contractors. We see LA Flex as a way of building on our past experience of schemes like Warm Zones, Arbed and Green Deal Communities. We recognise that there are several ways it could work and we want to hear local authorities' ideas. We could fund the installers, or we could fund local authorities for specific projects. We have set aside the full 10% in our budget for LA Flex.

C: It was noted that other obligated suppliers operate in the sector. Energy UK can make introductions if authorities would like to talk to other suppliers.

Q1: What kind of agreement would need to be in place to help us work together?

- A1: It depends on how we are contracting. It could be a direct contract with a funding agreement, or it could be a contract between a supplier and a managing agent or installer. The first thing is to consider the SOI and then to look at the declaration.
- Q2: Would you need to put a volume?
- A2: Yes, and in a contract there may be penalties for not meeting this.
- A2: We (EDF) wouldn't necessarily put in place a contract with the local authority. It might be a letter or an MOU. We'd want to work with you to see how best to deliver.
- A2: A contract would be needed to cover the part with the installation. If local authorities want to access the funding themselves, we (Scottish Power) would need to have something in place.
- A2: The contract or MOU would cover data protection, and the process of how it would all work: frequency of submission of leads, how we'd process them, how quickly installations might happen.
- A2: The big thing for us (BG) is scope. The numbers will dictate the contract mechanism; if it's a large volume, then we could contract directly.
- A2: If you've already got a programme or project, that gives a secure pipeline. You need something like that to work from so the referrals aren't just random.
- Q3: What sort of feedback would you give back to the local authorities, and how would the process for consultation on measures work?
- A3: We (EDF) would want a declaration before installation. We'd provide a weekly report on the status of leads that you have passed to us.
- A3: The main thing is if you had a local installer in mind, you would work with them about how they will handle leads.
- Q4: As a contractor, if a referral comes to us and we do the survey, but the measure opportunities aren't there, what happens?
- A4: The rate we pay for contractors covers "fake leads". If it came to us, we would phone to check identity and the measure that has been requested (eg, what's the make and model of the boiler?) and only then request a survey.
- Q5: Can you do LA Flex installations for any suppliers' customers?
- A5: Yes.
- C: Some local authorities are worried they might get lots of complaints about mis-selling. We need to choose installers carefully.
- Q6: Would we only be looking at certain measures?
- A6: Measures would depend on the supplier and what was cost effective under the programme.
- Q6: What if you have someone in desperate need of a boiler...?
- A6: We (EDF) would accept boilers under LA Flex but we would need to manage demand.
- A6: Measures will depend on your relationship with suppliers - you could keep them broad or be very specific.

- Q7: What if I find that one supplier has no funding for boilers but that others do? Would you accept time-limited declarations?
- A7: It's down to you. You do have the option to designate to one supplier and / or to put a time limit on it.
- A7: If you're a local authority, you would want to know who is going to do the installation.
- Q8: Can you put the same property in different declarations?
- A8: Yes, but the risk is that the householder will start getting multiple phone calls. You get a race for it with multiple installers phoning up.
- A8: It's early days, but on declarations, we would hope that they named the supplier or installer - that would give us certainty on the lead too.
- C: If the householder is vulnerable, then an assessor would probably be advising on the measure.
- Q9: Could we use our own installers, through a bilateral agreement?
- A9: There would need to be due diligence, which could take time. Our own contractors have money from us and they can use that for LA Flex.
- Q10: Procurement takes a long time. At what point will BEIS be looking at how this is all working?
- A10: We're starting now. We want to look at SOIs, and engage with local authorities that have SOIs. We're thinking of doing some workshops to look at what's worked and any barriers. We want to get evidence as we go. We'll also be getting evidence through Ofgem so we can see what has been delivered.
- C: We need to set up schemes and select partners - we won't have results in a hurry.
- C: Local authority procurement is so slow. If you wanted to procure your own scheme, you should be thinking about ECO3. You're better off looking at local installer networks for now.
- C: LA Flex is a good way forward. Most of us (LAs) would like it to be mandatory and for there to be some reward for us. There are transaction costs associated with this, including for failed leads.
- C: LAs need to understand what the suppliers will offer and set scope based on that, otherwise you're setting up the scheme to fail, which is unfair.
- Q11: Will suppliers be able to provide numbers on measures, deemed scores, the numbers we will need to find out what measures would be funded, any lead generation income? That would give us a starting point.
- C: It feels very chicken and egg (LAs asking what suppliers want; suppliers asking what LAs want) - it's felt that way for 10 years!
- C: It can work because of deemed scores.
- C: Many of the challenges that local authorities are trying to address will never be achieved through a supplier obligation. The obligation asks suppliers to meet it as cost effectively as possible. This drives the argument about whether we need a separate fuel poverty scheme.
- C: It needs a good conversation at the start about measures and costs, looking at what's going to stack up and what might be fully funded.

Q12: Should we have that conversation with energy suppliers or managing agents? And how can we have that conversation for the private sector homes that we don't know anything about? We have lots of data (EPC ratings, benefits) and can say there's a 90% likelihood that X household will be eligible for something, but we still need to go to the house.

A12: Installers will do that - they will go out and look.

C: It's good that at last we're talking about it. It'll be a few months before it takes off.

C: The critical period is Autumn / Winter. Now is the time to get the SOIs, the MOUs, before the heating season. People are keen to make it work though there are challenges for boroughs that don't have resource.

Q13: Whose responsibility is it to find out if a household actually been taken out of fuel poverty?

A13: There's no requirement on the suppliers to check that.

C: It's good practice but it is costly.

BEIS: We can't look at individual properties.

C: Could we put in a fuel poverty assessment before and after? Can't we build that in?

C: The deemed score is a lifetime saving.

C: Measuring LIHC is hard at an individual household level.

It was noted that it might be useful to have a follow up discussion with suppliers at the next meeting when delivery of ECO 2(t) would be further progressed.

5. Round Table

5.1 Members' Updates

RBKC / LBHF - continuing with the Healthier Homes project which gathers referrals and offers grants based on fuel poverty. In process of developing an SOI.

Enfield - we're involved with the Agility Eco LEAP project. We're carrying out in-house training for housing colleagues to promote the scheme. We expect referrals to be naturally generated that way. We're also looking at GSHPs on social housing, a large-scale PV scheme, and uses for our carbon offset fund.

Islington - SHINE has received 1000 referrals from 30 Boroughs over five months; we are hoping to continue the London-wide service 'til at least March 2018. Bunhill Phase 2 work has begun - this will expand our heat network using waste heat from the Northern Line. We are also carrying out a feasibility study into using waste heat from Regents Canal. We're procuring high rise EWI for 3-4 blocks and looking at using our carbon offset fund for medium rise EWI. We're also now looking at community energy and considering how we could use our carbon offset fund to support community energy schemes in the Borough.

Bromley - we have completed our HECA report.

Croydon - we have completed our pilot fuel poverty project, with 213 home visits. We're awaiting the report so we can shape the next steps. We have a very flexible approach to section 106 money, which should enable future projects. We are also looking at able-to-pay options with Merton, Sutton and Kingston.

Hounslow - we have a large social housing retrofit project under way, and we will soon be re-procuring our Better Homes, Better Health scheme. We are doing an SOI but we have lots of questions about how we pick suppliers without going through procurement.

Lambeth - we have done our HECA return, and we are considering partnering with SHINE. We have a Future Capital programme for our own stock, which makes strong links between energy efficiency and health. There is a strong community energy base in Brixton.

Kingston - we are working out what to do with our carbon offset fund. Kingston Voluntary Action are setting up a fund for fuel poverty, based on donations. Groups will be able to bid into it to do projects. We are also getting our SOI in place.

Watford - we are working with all of the Hertfordshire authorities and tendering for a county-wide scheme for this year's ECO. We will also be tendering for a managing agent.

Haringey - we have been doing work on our referral network, and carrying out research with Durham University into the role of community organisations in supporting people through the referral process. We are looking at the private rented sector, and at how we use our carbon offset funds.

Lewisham - we are carrying out a feasibility study on further district heating around SELCHP, looking at our carbon offset fund, and working with South East London Community Energy on ECO Flex.

5.2 Associate Members' Updates

Groundwork London - continuing to work with local authorities and housing associations offering Green Doctor visits.

Hyde Housing - we are working on stock analysis and getting ready for ECO. We are also setting up a water project.

ARP - ARP offers rope access for blocks - we are going back through our list of blocks to assess against deemed scores, as this might open up some ECO opportunities. We are happy to come and do site surveys. We also have a programme of cavity wall insulation extraction with HHCRO - you can fund extraction and refill.

Sustainable Homes - we want to work more closely with local authorities to carry out SHIFT assessments on their stock. We're also carrying out research into damp and mould, with a number of LA and HA partners. The SHIFT Awards are coming soon.

Osborne Energy - we have some funding to carry out a solar battery monitoring project, and we are looking for 5-10 social homes in an LA area - we can fit PV and batteries. See www.sustainablehomes.co.uk/batteries-included-the-future-of-clean-energy/ for further details.

Energy Solutions - we are running the COSIE helpline in Ealing - this is coming to an end in July and being re-procured. We're also supporting Ealing and Brent to develop their SOIs.

SGN - we look after gas distribution south of the river (most of it). We are halfway through an eight year period of having a fuel poverty target. We are aiming to install first time gas in to the homes of fuel poor households. At the moment, we can only fund the network, and not the central heating - but this year we are going to try our own fund, offering to match fund the costs of central heating systems. We are looking for partnership opportunities with LAs and HAs.

Thinking Works - we did 1500 home visits this year, in partnership with LAs and HAs. We are looking at continuing this, and at some other innovations: secondary glazing that you can roll up, and ECO Flex software.

RENEW - we are looking to help people partner with installers and suppliers; we can give advice, help you write your SOI and answer your questions about procurement.

6. Date of next meeting: Thursday 14th September 2017, City of London