

**ALEO London: Winter Forum
Thursday 12th January 2017**

Kindly hosted by the GLA

Attendees

Syed Ahmed	Energy for London
Sussie Anie	Brent
Ieman Barmaki	Enfield
Malcolm Bell	Croydon
Oliver Bell	Viridian Housing
Bob Clegg	Bromley
Justine Dornan	RBKC
Sharon Dorrington	Happy Energy
Frances Evans	Camden
Brooke Flanagan	GLA
Helen George	Lambeth
Anca Giurgiu	RBKC
Andrew Jackson	Ealing
Patrick Kajura	Viridian Housing
John Kolm-Murray	Islington
Robert Marjoram	Scottish Power
Martin O'Brien	Lewisham (Chair)
Angela Okoh	Hackney
Neil Pearce	Barking & Dagenham
Lee-Ann Perkins	Sustainable Home Survey Company
Rory Prendergast	Hounslow
Jean Roberts	Hyde Housing
Shirley Rodrigues	Deputy Mayor of London
Natalie Sansom	Groundwork London
Julian Swan	National Grid Affordable Warmth
Liz Warren	SE2 Ltd (secretariat)
Adrian Wright	Happy Energy

Apologies

James Hardy	GLA
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1. Regional update

Martin O'Brien, ALEO London Chair

1.1 Regional activity since last meeting (October 2016):

- The GLA launched its Better Boilers scheme in January 2017 (see below). It has also emerged that the GLA are planning to publish an action plan on fuel poverty as part of their wider Environmental Strategy (see below).
- The zero carbon standard for new residential developments was introduced in October 2016. It creates the opportunity for allowable solutions, by requiring developers to pay into ring-fenced local funds if they do not meet a zero carbon standard on new developments. This funding can be used to spend on projects that will deliver local CO2 savings. A London meeting is planned for 13 February, aimed at planners, based on sharing example of good practice (eg, Ealing).

1.2 National activity since last meeting

- The UK ratified the Paris Agreement, committing to a strong path on carbon emissions reductions.
- National ALEO had received a response to John Kolm Murray's letter to Theresa agreeing with the importance of addressing fuel poverty and recognising the importance of local action.
- Ofgem:
 - o The outcome of Ofgem's redress consultation was published in November 2016. They are going to set up a third party organisation to distribute redress funds. Ofgem noted that local authorities had said that they would like to bid for these funds and that they will consider this in their scheme design.
 - o Closure of consultation on prepayment meters (Nov): ALEO submitted a response to this, supporting the main principles of protecting vulnerable households but raising concern that there is still the possibility of automatic switching between credit and prepayment mode.
 - o Report published on the outcome of a consultation on technical score monitoring for ECO (December)
 - o Closure of consultation on ECO transitional arrangements and new administration of ECO (December); as yet, there is limited detail on what flexible eligibility will mean under the new arrangements
 - o We are expecting Ofgem to publish a follow up on the CMA recommendations on switching during January 2017
- BEIS:
 - o Launched a consultation on SAP (November); this included proposed changes around carbon emission factors related to grid decarbonisation, and proposals on including an assessment of actual energy use. It also looks at changing distribution loss factors on heat networks.
 - o Issued a response on their consultation on RHI and ensuring value for money
 - o Launched a consultation on heat in buildings for the domestic sector, linking in minimum standards to the EU, adding in a standard time and temperature control on new boilers and asking whether consumer advice is something that is needed. (the consultation is open until 27 January)
 - o Published Excess Winter Deaths (EWD) statistics showing over 2000 EWDs in London in 2014, bringing home the message of the ultimate impact of living in a cold home. The statistics show regional variations; on this basis, the data shows the impact of being at the brunt of the weather, so Wales and the South West, for example, have higher numbers. In December, BEIS re-issued fuel poverty statistics which showed that 2.38m households in England are in fuel poverty according to the LIHC measure. This means that over 10% of households in England are in fuel poverty, up from the previous year. Interestingly, the extent of fuel poverty is measured in part by the amount of money households have to spend, which had reduced slightly.

- In December, the Bonfield Review published its report, Each Home Counts. BEIS is currently inviting feedback on this. The report sets out recommendations about including a data warehouse, plans around a quality mark and potential changes to PAS 2030. The National ALEO Committee has raised concerns about a lack of local authority perspective.
 - Lord Prior of Brampton has replaced Baroness Neville-Rolfe at BEIS, but it is possible that James Brokenshire MP will take on the energy efficiency role.
 - HNDU announced HNIP funding of £39m for delivery of heat networks - a luxurious 6 weeks to put together our business cases. Applicants are now awaiting the outcome. HNDU also launched Round 7 of their funding - this has no closing date so is a first come first served scheme.
 - BEIS published new guidance on HECA to align it with broader BEIS remit around industry and placing emphasis around carbon targets, heat networks, RHI, fuel poverty, ECO and smart meters. So HECA now matches more closely on to strands of BEIS work. BEIS also asked for evidence about existing resources, strategies and projects on fuel poverty in our HECA reports, and for information about how building control are working on heat pumps and boilers. They are also interested in the part local authorities are playing in addressing the private rented sector, particularly on enforcement.
 - There is a new Local Energy Team in BEIS.
- NEA launched a national campaign in November on a “not in her lifetime” message - broadly that we won’t have addressed the issue of cold homes in the lifetime of a baby born now. Fuel Poverty Awareness Day is scheduled for 17 February.

2. Shirley Rodrigues, Deputy Mayor for Environment and Energy

My job is to deliver Sadiq’s energy and environment manifesto commitments, including those around setting up Energy for Londoners. This is an umbrella for around increasing renewables, decentralised energy and energy efficiency, and has two objectives: reducing carbon emissions towards a net zero carbon level by 2050 and tackling fuel poverty. Recent statistics show fuel poverty is growing and this is a big area that Sadiq wants to tackle.

The manifesto also had commitments around air quality and we are aware of the interplay between air quality and carbon reduction.

You will have seen a vision document setting out where the Mayor thinks London ought to be and broad policy areas (A City for All Londoners). This is a pre-consultation document showing a direction of travel as we start to develop more detailed policies.

The London Plan is going to be revised; the city is growing hopefully in a more compact and connected way. We are also reviewing the transport, environment and economic development strategies, in the light of the change of administration and wider issues like the Paris Agreement and Brexit. Where does London’s economy go? And how do we make London a more integrated and cohesive society? There will be a number of opportunities for people to feed in to various strategies as they develop.

In terms of ALEO London’s letter to Sadiq and the asks around affordable and sustainable energy: you were interested in our views on working with Boroughs, ensuring London receives a fairer share of ECO, protection for district heating customers, work to prevent hospital admissions, the private rented sector, addressing energy efficiency in flats and in heritage buildings, and increasing private sector take up. These are all areas that the team is looking at - for our own strategies and for others - and through to implementation. Whilst we develop new strategies, we’re looking to make sure we maximise issues in developments that are coming forward to us through planning now.

We’re moving from one administration to another; we’re moving quickly and team are working very hard. People are very willing and open to ideas but we are having to make arguments with other policy teams around the benefits of these. So we’re doing a lot of evidence gathering.

We have moved very fast on a couple of areas: the Fuel Poverty Action Plan, which we plan to launch in Spring this year (by May) and - as part of that to demonstrate the priority - we have launched the Better Boilers scheme. This is just the start of some work on what we might do. We've been talking to a number of you about how we might connect with the Boroughs' work.

We are also looking at a Solar Action Plan and what Energy for Londoners might look like. For example, is the experience of Bristol and Nottingham in setting up energy supply companies relevant to London? Should we look at full energy supply or a white label approach? How would this help us deliver our wider programmes? We are still at the early stages but by the time we publish the Draft Environment Strategy (by May), we will have come to a view on where we think it might go. There are plenty of issues to think about around financing, costs, energy markets and future proofing.

We would like you to engage with the team here about your challenges related to implementation and where the GLA might be able to help in terms of overarching policy and more generally. The Mayor has a strong voice. There are two programmes particularly to engage in right now - Better Boilers and RENEW (which runs until July). We are doing an evaluation of RENEW at the moment - it hasn't met its original ambitious targets but there were set against the context of different policy and funding regime, (eg, Green Deal). Given the external changes, it's delivered a lot. Whilst we still have funding, we still need to tackle retrofits.

Q1: You mentioned the strong voice of the Mayor as a powerful lever. One of the big challenges for us is working with the health sector. What opportunities are there for the Mayor to deliver in areas outside his remit?

A1: Remit never stopped Ken or Boris so it won't stop Sadiq either! Whilst there are a number of areas outside his control, we know there are areas which are critical to Londoners - so we can convene, get people in, talk to people. We have been talking to the health sector around, for example, air quality, and have good relationships there which we could extend to talk about energy efficiency. There is a huge problem that the NHS has with funding and bed blocking - how do we support people to go back home, when homes aren't suitably kitted out? Is this an opportunity to tie in with the health sector to encourage energy efficiency works? We are happy to work with you on this.

Q2: Can you say more about the Solar Action Plan?

A2: We are trying to work out what's possible. We know there are a number of rooftops, but we need to understand the potential. We'll be mapping what's out there, particularly where the mayor has control over buildings (eg, TFL buildings). Solar is never going to be a major contributor to London's energy mix but it's about doing what we can towards decarbonisation.

Q3: What ideas do you have about bringing more funding from ECO into London?

A3: We don't have enough money coming in to London from ECO. We have been talking to various energy companies and others about how this might happen. You can't ask companies to designate a fair share for London but we have been doing a lot of advocacy.

That has been the focus, and we're looking at other areas where we can support the Boroughs in bringing more money in so we're not duplicating effort. Could we work together on data to enable better targeting? We're also looking at flexible eligibility and maybe a brokerage role. We are definitely open to any suggestions.

Q4: On the issue of fair share: the problem has been partly about getting funding and partly about making it as easy as possible for the supply chain to work in London. Perhaps we should be saying that 14% isn't our fair share - London has the highest number of households and a historical backlog. Perhaps we should be trying to get more.

- A4:** Part of the plan for Energy for Londoners is to look at how we maximise the funding from elsewhere. These are all very difficult issues that we're still struggling with, as are the Government. There is an opportunity through taking a more combined approach.
- Q5:** From 1 October, we have had the zero carbon standard rule in place. Have the GLA and ALEO got an understanding of what best practice is on how the money can be spent? Is there a diversity of projects going ahead? What are the challenges around setting rules? How can we share best practice?
- A5:** There is an event on 13 February. The GLA have been offering a lot of support for planners. There are examples in London - where you have an evidence base for the cost of carbon, local authorities have been doing this, or you can use the London Plan as a default way of doing this.
- C:** Islington has a Warmth on Prescription project funded through carbon offset, looking at fuel poverty, high rise insulation and possibly CHP. Our challenge is that it's only funding the capital elements but we are working with vulnerable people which is very time intensive. It's the wrap around services involved in assisting the most vulnerable - these aren't funded.
- C:** It's a big opportunity as well. The GLA can influence how that money can get spent. Outer London Boroughs with green belt land might make this available for solar farm installations - the funds could be pooled and used to invest in this for Londoners.
- A5:** We're in the process of talking to Boroughs about how they are using the funding. There are Boroughs with more development than others. We're looking at providing guidance on best practice, and we're also working with London councils who don't have much development and at the appetite for cross London working. We're trying to work out how that might look but it will be guidance - we're not able to direct Boroughs on what to do. Pooling is a good option and then how you leverage money in from other sources.
- Q6:** There is some ambiguity over quantifiable carbon in projects. Some planners might not like to use RdSAP to calculate carbon. There might be different policies within different boroughs - maybe it's better to have a unified approach.
- A6:** RENEW's been going through an evaluation. Is there a role for RENEW in terms of technical support on the zero carbon offset agenda, scoping options, making funds work? Also, is there a role to help make London schemes more attractive to the Big 6 for ECO work? We would be happy to hear any views.
- Q7:** We have a lot of decentralised energy systems in Central London - can the GLA take a strategic approach about joining systems up?
- A7:** The GLA has done a whole load of work on decentralised energy - it's still absolutely critical to our strategy. Connecting up more developments to heat networks is key. Some of the work we're doing with TFL - Licence Lite - we are hoping to launch this year. We are also looking at how you link up heat networks. The successor to our Decentralised Energy Programme has been funded and is about to relaunch - this provides technical assistance and support for financing. We want local authorities, housing associations and others to really take this up.

We know that local authority finance is an issue, we are looking at revenue support and at options for pooling resources. If you're in a borough without a zero carbon homes policy, you should be advocating for it. You're going to have to show your contribution to meeting carbon targets, and this mechanism creates funding.

3. Energy for Londoners and the Better Boilers Scheme - Brooke Flanagan and Ben Coombes, GLA

3.1 Energy for Londoners is the umbrella brand for all of the Mayor's activity on energy, climate change mitigation and fuel poverty. Its key objectives are around reducing emissions and alleviating fuel poverty. These will be delivered through energy efficiency and building retrofit, and through transport. We are also looking at increased generation of clean energy, low carbon heat and maximising the use of waste heat. We also are looking at fairer and more affordable tariffs and at accelerating the rollout of smart meters, including identifying the additional benefits that they can provide and the move towards smarter energy systems.

3.2 Within Energy for Londoners:

- The not for profit energy company
We've been doing work behind the scenes talking to those who've gone down this path, looking at factors we need to take into consideration. It's not simple, there are factors around structure and form to develop. The wholesale market has been pretty benign for the last couple of years but is now quite volatile. It's a harder time to come into the market and it's harder to undercut suppliers on price without having to hedge. We need to be sure that, given the cost of a supply licence, we can achieve objectives for Londoners without excess risk. We are about to commission a more detailed options appraisal and a business case.
- Buildings energy efficiency
RENEW and REFIT are still in place and we are looking at how to build on these. We're looking at what form the next phase of RENEW should take and how it can better support households in fuel poverty.
- Fuel poverty
The Fuel Poverty Action Plan is a key part of this, and we're scoping this at the moment. We want to use the Mayor and his powers to best advantage, and we don't want to be duplicating what Boroughs are doing. We want to get the right balance of roles. We're aware that some Boroughs aren't able to do much; we want to support those Boroughs without stepping on the toes of Boroughs that are currently able to do more.
- Smart energy- still at the scoping stage
- Solar and community energy - as noted above regarding the Solar Action Plan
- Low carbon energy
This is continuing work around decentralised energy, heat networks, Licence Lite
- Green finance
This workstream will start in the new financial year. Given the lack of public funding for energy efficiency and fuel poverty, we are looking at opportunities around lower cost private capital. Where is the capital, what are the requirements or restrictions around it, how do we match that up with projects on the ground? This might include things like Pay As You Save, Pay As You Leave, equity release. There are a lot of ideas there that we need to look at in more detail, but we also want to just try some of them out and see if they work.
- Supply chain
One of the things the supply chain says is that it's more expensive to work in London and that there's not really a bright and vibrant supply chain here. We don't know about the evidence for this. We are looking at mapping the low carbon supply chain in London, how it works, what sort of capacity might be needed and how the Mayor can support businesses in this sector.

3.3 We would like to do this collaboratively with genuine consultation - input and feedback now is very welcome. On the Fuel Poverty Action Plan, we will be having a stakeholder workshop to share draft recommendations and approach.

3.4 The Better Boilers Scheme launched on Monday, and we would welcome help from the Boroughs promoting it through their networks. Eligible customers are private homeowners on qualifying benefits - we have the budget to help approximately 500 householders. The money has been taken out of the Boiler Cashback scheme and dedicated to fuel poverty. The scheme will replace boilers below 86% efficiency, or install where there is no boiler, or repair where possible. For more details on the scheme, and referrals of eligible households, see: <https://www.london.gov.uk/what-we-do/housing-and-land/improving-quality/better-boilers>

Q1: Are you using your own contractors, and do you know turnaround times?

A1: We're using Ecologic for the installations. I don't know of turnaround time, but it was a definite ask that they could react quickly across London. The initial process is the application; once that's happened we go through data matching with DWP to confirm benefits. The application also includes brand and model of boiler. The contractor will then go out and will do a Home Energy Check as part of the process (a little bit wider than the boiler). Shared ownership would probably be eligible if they are responsible for replacing the boilers under their current arrangement.

Q2: Who else has been sent leaflets or been asked to help with promotion?

A2: It's been pushed out to GLA contacts at eg UK, CAB, NEA at the national level - it is probably as useful for you to go out to your own local contacts.

Q3: Will you be collecting data on a local authority basis and looking at geographic spread?

A3: We will be able to do this; we'll also be doing an evaluation after the fact about the impact that it has had on bills etc.

Q4: We went through ECO and it collapsed - there are 19 jobs that the supplier is not willing to honour.

A5: Everything would have to go the EST helpline - we can follow that up. Go via James Hardy (james.hardy@london.gov.uk).

Q6: If energy suppliers are abandoning projects like this, could GLA have a role to challenge this?

A6: Certainly something needs to be done about how some suppliers operate.

Q7: Can you make sure that all eligibility criteria are updated on the website? And also links to the database that they use for assessing whether a boiler is below 86%?

A7: The front page of the site does pre-qualification pretty quickly. It has the boiler list - brand and model.

Q8: Will you be able to make cross referrals from the Better Boilers Scheme into local borough schemes for other services?

A8: It has been discussed - it's on the agenda for further developments.

You can contact the GLA team as follows:

James Hardy - Better Boilers - james.hardy@london.gov.uk

Brooke Flanagan - Energy for Londoners, general policy - brooke.flanagan@london.gov.uk

Ben Coombes, RENEW - ben.coombes@london.gov.uk

4. A new single point of referral - John Kolm-Murray, SHINE London

- 4.1 SHINE has funding through EDF from the Warm Home Discount industry initiative to trial SHINE across other parts of London. SHINE has been working in Islington and Hackney for a number of years.
- 4.2 John explained the opportunities for SHINE and its potential value for Boroughs (see attached slides). He talked through the services that SHINE currently provides and which are now available to residents across London.
- 4.3 He stated that he thinks that London needs a single point of referral. Provision is very patchy across the region - most Boroughs don't have a substantive programme. A lot of schemes are weeks away from being de-funded. Many partners, such as hospitals and housing associations, don't operate within local authority boundaries so a single point of contact makes it easier for them to provide referrals. Frontline people want to send residents to one place.
- 4.4 John reiterated his commitment to working with and supporting energy officers, not displacing them. There are a lot of good services running in London already - SHINE wants to work with and through these existing schemes, but also to provide services where there are none. We want to support officers and make the case for provision, we don't want the boroughs to step out of this space. The key thing is demonstrating that there's a need for a single point of contact and that people will use it. Demand is key.

Q1: How long does the EDF funding last?

A1: Until the end of May. We have a later start than anticipated because of external factors, but we have a target until the end of May. If the scheme is doing well, then we can start to make the case for continuation.

Q2: What sort of reporting could come back? It could be ideal to cover a gap in our own scheme.

A2: We have a good database so could tailor this to suit.

Q3: What's been your experience of getting data sharing agreements between Islington and other Boroughs?

A3: We have a template data sharing agreement which we use across all SHINE partners. It's fairly basic and about informed consent, built on the Data Protection Act. One of the discussions we've had with BEIS about ECO is about data sharing - some boroughs are very cautious about data sharing, so we have asked BEIS to provide guidance from lawyers about data sharing and how it can work.

Q4: What's the target?

A4: 850 referrals, aimed to be outside of Islington, Hackney and Camden.

Q5: What about the health element?

A5: There's no funding for health evaluation. Parameters for what the scheme will / won't fund are very strict (administered by Ofgem).

5. Round Table

5.1 Members' Updates

Members' updates are to be provided by email to kathryn.todd@se-2.co.uk. These will then be circulated. Due to time constraints, updates were not taken during the meeting.

5.2 Associate Members' Updates

SHS - has 5 BESN champions and are looking for opportunities to engage with consumers and frontline workers - please contact Lee Anne Perkins on lee-ann.perkins@betterliving.org.uk.

Happy Energy has relaunched its Heat project (covered in the most recent email bulletin). This is a one-stop shop for local authorities helping bring ECO funding into Boroughs and also looking at a PAYS model for heat pumps and solar. Please contact Sharon Dorrington (sharon.dorrington@happyenergy.co.uk) or Adrian Wright (adrian.wright@happyenergy.co.uk).

Scottish Power - we are waiting on ECO transition details and thinking about what we do from April onwards.

6. Date of next meeting: Tuesday 16th May 2017, Southwark