

London HECA Forum Summer Forum

Monday 1 June 2015

Hosted by Southwark Council

Room 519, 160 Tooley Street, London, SE1 2TZ



Attendees

Frances Evans	Camden
Keith Von Tersch	Capita
William Baker	Citizens Advice
Malcolm Bell	Croydon
Nigel Farren	Energise Barnet
Liam Preston	Enfield
Fiona Cooke	Hammersmith & Fulham CAB
John Kolm-Murray	Islington
Tim Hendry	Islington
Justine Dornan	Kensington and Chelsea
Shadia Rahman	Kingston
Lakhwinder Gill	Kingston
Martin O'Brien	Lewisham
Peter Sumby	NEA
Rob Ballington	Newham
Sue Walker	Newham
Molly Wang	Redbridge
Robert Marjoram	Scottish Power
Rachael Mills	SE ² (Secretariat)
Sheryl Charles	Southwark
Dan Crispin	Sustainable Home Survey Company
Zoe Dunn	Waltham Forest

Apologies

Ieman Barmaki	Barking and Dagenham
Bob Clegg	Bromley
Natalie Sansom	Harrow
Joan Murphy	Waltham Forest
Emma Adams	
Giles Read	Thinking Works (Harrow)

1. Welcome and introductions – John Kolm-Murray, Vice-Chair

- 1.1. John welcomed everyone to the meeting and reflected on the recent loss of HECA officers, something that's happening in all regions. As the new National CAN Chair, he believes we need to be bold about making our position clear, taking advantage of the policy discussions about devolved decision making: if we don't know-one else will.

2. AGM

- 2.1. As Treasurer, Rob gave a financial update (a full report will follow when the information has been received from the bank). As of 2nd April the Forum had £4087 in the bank. From our forecast of spending for the coming year, we are expecting a shortfall of about £300. The Committee has been discussing options to make up this shortfall and have decided to look for meeting sponsorship if required rather than increase membership fees. The use of free meeting rooms will help keep costs down too.
- 2.2. John reminded the group that all 8 Committee members must be full Forum members, ie individuals directly employed by London local authorities in HECA-related activities. The Committee may second additional non-voting (associate) members for their specialist knowledge or to assist with a particular function. The new committee was elected as follows:

Rob Ballington	Newham	Chair
John Kolm-Murray	Islington	Vice-Chair
Natalie Morgans	Harrow	Treasurer
Ieman Barmaki	Barking & Dagenham ¹	
Frances Evans	Camden	
Jo Gill	Hillingdon	
Toby Morgan	Islington ²	
Martin O'Brien	Lewisham	

Rob thanked all the outgoing committee members for their time and contributions.

3. Election Debrief – John Kolm-Murray, Vice-Chair

- 3.1. We are still waiting for much of the detail to emerge from the new Government. Amber Rudd is Secretary of State for DECC: her previous portfolio covered fuel poverty which could be a good sign. Fuel poverty now sits with Lord Bourne.
- 3.2. The Tory manifesto was the lightest in terms of energy efficiency policy. They will support low cost measures and insulate 1 million homes a year: this sounds a lot but is 80% lower than the insulation rates we experienced 2010-2015. In London we need more expensive measures to tackle hard-to-treat homes.
- 3.3. Labour is in disarray. The Chair of the Energy and Climate Change Committee will be an SNP MP³, which means gas and oil in the North Sea will be a hot topic for them. There is also a call for ECO to come from the Treasury and for energy efficiency to be delegated to local authorities, as it is in Scotland.
- 3.4. The Competition Review on Electricity Reform is due to report in December. Although a

¹ Ieman is confirming with his line manager that he is able to take this post.

² Should a representative from another Borough come forward, Toby will step down as John already represents Islington on the Committee

³ Since the meeting it has been announced that this will be Angus MacNeil MP

break-up of the Big 6 is unlikely, it could ease access to the market for smaller suppliers.

- 3.5. Localism is back on the agenda, with devolution for the 'northern power houses'. We should be wary though: energy efficiency is being scaled back in Manchester.
- 3.6. Stability in the health sector would be welcomed, and it looks like CCGs are here to stay. £1m of 'health on prescription' funding has been awarded to 7 local authorities (including Islington – the only LA in the south), with a further £2m still to come.
- 3.7. Other funding streams include the redress funding being managed by NEA and British Gas. A London consortium bid is also being put together for the Central Heating Fund.
- 3.8. What will happen to the private rented targets (eliminating F&G ratings by 2018) and the Fuel Poverty Strategy? A case still needs to be made for investment. The Energy Bill Revolution will possibly remain active until the Comprehensive Spending Review in the autumn.
- 3.9. It was suggested that the National CAN could make suggestions to the Energy and Climate Change Committee for issues that deserve enquiry.

Action: JKM to take this suggestion to National Exec and investigate what the Committee has looked at already in the recent past.

4. RE:NEW update

Presentation by Keith Von Tersch, Capita, on behalf of the GLA

Also see presentation slides

- 4.1. In the past, RE:NEW has been an area-based, door-knocking programme. With the new co-funding from the GLA and the European Investment Bank (through ELENA) to 2017, this has shifted with more projects now in contract and Capita offering consultancy support to the Boroughs and social housing providers through its Innovation Unit. There is a 'pick and mix' menu of support available (rather than a step-by-step process) including 'enabling tools' such as a procurement framework, technical risk analysis, an innovation unit and support in the private rented sector.
- 4.2. Feedback was taken on the procurement framework and this has now been widened in scope to include project design, engagement and marketing, implementation and post-implementation (savings delivery and monitoring). Anyone on the procurement framework has to offer all of these services: the tender process is still in progress but an announcement is expected soon. Through the framework you can procure for services for both private (through the area based service concession) and social housing, as well as associated services (eg scaffolding), wider asset management, water saving measures and financing. As the terms have been pre-agreed, the process is relatively quick.
- 4.3. The GLA is also investigating the Energiesprong model:

Energiesprong ('Energy jump') is a new high-value construction and investment model for creating energy-neutral homes and regenerating neighbourhoods through a whole house 'envelope' retro-fitting package.

The Dutch-designed system blends innovative off-site factory construction with a financial model to eradicate heating bills and generate a 5.25% financial return (IRR) over a 30-year term, against up-front capital investment. In effect, the housing association buys a 30-year performance and maintenance guarantee, using a fixed monthly payment by the resident which is lower than their savings on the average bill as the long-term funding mechanism.

The contractor delivers, maintains and guarantees the renovation against agreed energy performance targets for the 30-year term – although the HA can break the maintenance contract at 10 year intervals.

In a renovation lasting less than 2 weeks – in which residents can continue to

occupy their home – homes with poor energy efficiency are transformed into zero carbon housing and estates regenerated with homes that look brand new.

Big changes (eg amount of energy used and costs) would be needed to make this model work in the UK at the Dutch scale (11,000 homes) but it's an interesting concept.

Action: The GLA is looking for Boroughs interested in taking these ideas forward, and would particularly like to talk to planners with regard to regulatory thinking.

Q&A session

- 4.4. What evaluation was made of the old procurement framework? It was felt to be more expensive to use than local contractors.

The evaluation was published through Mayor's Question Time. Local authorities, housing associations and the supply chain were asked for feedback, although there was not a formal consultation process. The GLA is trying to get the best prices possible (eg by reviewing overheads and profits), as well as encouraging contractors to work with local businesses. There is also a system of continuous benchmarking.

- 4.5. How are the contractors monitored? Can poor contractors be removed from the framework?

The GLA is leading on this, with Capita offering the client support. Removing contractors is difficult but the GLA is more engaged with suppliers than in the past and has stronger feedback loops. The GLA will hold regular meetings with the contractors to feedback on their performance on the framework.

- 4.6. Is solar in the Framework?

Yes, all renewable can be procured through the framework. There is also a specific contract for roof leasing of solar.

- 4.7. With reference to the announcement of the new Framework contractors, when is 'soon'?

Soon!

5. A view from Citizens Advice: local delivery and engaging the health sector Presentation by William Baker, Citizens Advice

Also see presentation slides and report.

The report, blog and recommendations are also available on the Citizens Advice website:

<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/essential-services-policy-research/energy-policy-research/closer-to-home/>

a) Closer to Home

- 5.1. Citizens Advice 'Closer to Home' research, carried out by ACE, CAG and CSE, was launched last week. It followed on from a previous report commissioned by Consumer Futures from IPPR and Verco called 'Help to Heat'. This argued that ECO and the Green Deal isn't working and should be replaced by a new approach to delivery based on area-based approaches and devolving responsibility to local agencies. The recommendations, for both the fuel poor and able-to-pay, were adopted by Labour its 'The War on Cold Homes' policy initiative. The ACE-led research would have put detail on Labour's proposals but now they have lost the election we need to make our work relevant to the current Government's priorities, eg 'northern power house' and devolution. Policies to address the housing affordability crisis may also drive greater local involvement in energy efficiency delivery.
- 5.2. Citizens Advice considers a local delivery approach would be much more effective than the current arrangements, particularly for tackling fuel poverty. However, we still need to recognise that a lot more resources are required if the government is to have any hope of

meeting its fuel poverty target (EPC C by 2030). A detailed literature review has also been separately published.

- 5.3. Citizens Advice supports a national framework for local delivery. ECO isn't working: there is too much reliance on suppliers. Fuel poverty can be better targeted through local delivery, especially amongst the vulnerable and hard-to-treat, where synergies with other local issues and strategic priorities can be found.
- 5.4. The first recommendation of the report is that "The UK government should give local authorities in England responsibility for overseeing the delivery of home energy retrofits to low-income and fuel-poor households, as is already the case in Scotland" (Wales is about half way between the two). Obstacles in England include LA procurement procedures, the cost of buying EPC data, a lack of project management skills or of writing complex bids, and huge budget cuts which see LAs struggling with existing obligations let alone taking on new ones (even if they were resourced).
- 5.5. Funding is an issue: even ECO funding provides only a third of what is required at best. Citizens Advice supports funding a more ambitious programme by allocating a small proportion of the National Infrastructure investment budget towards energy efficiency. Other possible sources of funds include funds from closed consumer accounts and allowable solutions.
- 5.6. Citizens Advice is keen to work with organisations such as CAN to take its local delivery proposals forward.

b) Health

- 5.7. Lots of Bureaux have links with the health sector (in some places Bureaux staff work within GP practices) and would like to see closer working relationships between bureau and health service providers: successful advice outcomes frequently lead to health benefits. Citizens Advice welcomed the NICE Guidance, would like it to become standard and believe it could potentially have a big impact on tackling cold-related ill-health. We would like to see bureau work with Health and Wellbeing Boards in putting the guideline into practice.
- 5.8. There is overwhelming evidence of the health benefits of energy efficiency, the financial value of which are now included in DECC policy impact assessments. The Health Impact of Domestic Energy Efficiency Model (HIDEEM) is being developed by the School of Tropical Medicine and others to help monetise health benefits. Perhaps a local version of this could be developed for leverage with local Health Trusts and CCGs.
- 5.9. DECC has set up a small £1m fund for local health initiatives. Citizens Advice would like to see a joint DECC/DoH programme established with much more substantial resources: lobbying is required to make the case for such a fund but it could usefully complement area based approaches to tackling fuel poverty.

Q&A session

- 5.10. JKM welcomed the vast majority of the report, and of course would very much like to see LAs in the driving seat. However, suppliers are adamant that LAs are not capable of delivery at such a scale: National CAN needs to make a bold case that we can. But we need to be honest too: smaller LAs can't do it alone, but we've already seen lots of Districts working together in this and other areas.
- 5.11. The LGA/DECC MoU is already providing an extra burden. This needs better defining as well as more funding.
- 5.12. NF questioned whether many LAs would want statutory obligations such as these. They are already hamstrung by cuts. The research has missed an opportunity to make the case for local community groups to provide leadership at a local level.

JKM: Logically LAs should want the obligation but it needs funding. They also can provide accountability for delivering programmes, which other local agencies could not. No-one else is in a better position to deliver large-scale local programmes (eg Decent Homes, Major Works) and no-one else can be given a statutory duty.

Recommendation 7 of the report also states "The UK government...should allocate the remainder [of local delivery funds] via a competition open to all interested organisations to foster improved delivery practice and efficiency. This will enable RSLs, community organisations and other contractors to participate in locally led delivery without having to go through local authorities."

WB explained that the researchers did talk to NGOs about the proposals to get the broadest ranges of views.

5.13. How would a local delivery model sit with national schemes?

There's still lots of debate. A national scheme would be a good back-stop in areas where LAs took a while to get their schemes off the ground: this is what happens in Scotland and Wales. Now Warm Front has gone we realise that it had many good elements, eg arrangements with the Pension Service for automatic referral, even though Citizens Advice advocated improvements to the scheme at the time. It is worth noting that Warm Front worked best when local authorities helped promote the scheme and were able to fill in the gaps in provision.

Borough Round Table on Health Initiatives

- 5.14. **Southwark** has previously worked with our Health colleagues via the DH funded Keep Warm and Well in Southwark project, however the relationship discontinued once the project ended. They have since been able to re-establish a way in through their work involving DFG Housing adaptations. The funding which used to come directly from CLG is now part of the Better Care Fund, a pooled NHS budget to be distributed. The plans for how they will deliver more integrated services that prevent hospital admissions through adapting homes are signed off and agreed through the Health and Wellbeing Board. This is the first time they've been able to have any contact with the Board who have greater links with their health and social care colleagues: there's a workshop tomorrow where they will be discussing streamlining and integration (eg how to engage with and encourage referrals from GPs and District Nurses while reducing delays).
- 5.15. **Kingston** has a good relationship with public health. There's a Warm Home Better Health programme targeting the over 65s, and another evidenced programme is being developed to bring together health, energy efficiency and income maximisation. Good relations are being developed with GPs and an agreement in principle has been reached with the CCGs.
- 5.16. **Enfield** is using their Child Poverty Strategy as a lever. HEET and CAB offered Borough-wide energy doctor visits targeted at vulnerable residents through a pilot project in January-March 2015. Talks are taking place with Public Health colleagues regarding funding.
- 5.17. **Lewisham** has a supportive Director of Public Health and the Health and Wellbeing Boards is saying all the right things. Annual funding has recently been reduced from £75k to £50k, but the energy team is given a free hand on how they deliver this to fuel poor households: they've used it for frontline staff training, a local advice providers' consortium and a home visiting service (through Groundwork). The member of staff who oversaw this has recently left and the team is missing the extra capacity. There are no criteria for the allocation of funds - the referral just has to come from frontline staff. This makes it easy to administer but it means that there is little data on income, benefits, health, etc which makes it hard to provide evidence for future funding opportunities.

- 5.18. **Newham** has historically had no virtually interaction with health (although not through lack of trying). However, there's an imminent meeting with the CCG which looks hopeful. Newham has many vulnerable residents who should be referred for help but it's difficult to win new funding.
- 5.19. With the loss of John Mitchinson, **Redbridge** has lost many of its connections with the health sector. The multi-agency Redbridge First Response Service refers 5-10 people a year for help. Contact with the Director of Public Health was just passed down to a consultant which has been frustrating. The public health department has been funding the handy person scheme led by private sector housing. Although it does not focus on fuel poverty, Redbridge are working to link it to potential fuel poverty schemes. The public health department is also in the process of analysing the underlying causes of deaths that contribute to the excess winter death index calculation and the result is due to publish in the next annual public health report this summer. There may be some project initiatives to come out of that.
- 5.20. **Kensington and Chelsea / Hammersmith and Fulham** have public health funding. They are still trying to engage with the local health community (eg hospital discharge team). Hammersmith and Fulham CAB is about to start offering energy appointments for vulnerable people through Ofgem's Energy Best Deal.
- 5.21. **Waltham Forest** is developing a strategy but it's still early days. The HEET project also delivers local advice.
- 5.22. **Islington's** SHINE project has public health funding and carries out energy doctor visits. Good relationships have been made with hospital teams and some specific services where they deal with people at risk from the cold (eg sickle cell). Some good relations have also been forged with GPs although these are proving more difficult but there's been slow yet steady progress there.
- 5.23. In **Croydon**, fuel poverty sits in Facilities Management with stakeholders fragmented across the organisation. It is difficult to bring together resources for Fuel Poverty projects.
- 5.24. **Camden** has good relations with public health: they sit on the Affordable Warmth Steering Group and also fund the WISH Plus service, which refers residents onto Camden's affordable warmth services (Well and Warm visits/ Green Camden Helpline) and grants. Inspired by Westminster, they are in discussions about a pilot mail-out via GP practices to patients with conditions related to living in cold homes.

Associate Member Health Initiatives

- 5.25. **Energise Barnet** has received a letter from Barnet CCG saying that as fuel poverty is a public health issue it is the Council's responsibility, but it's a low priority for the Council. The Council's ALMO (Barnet Homes) also claims it has no budget to help tenants reduce energy bills and is unwilling to enable funding to be realised via community share issues so that PV can be installed on the roofs of tenants' homes. As a result, Energise Barnet has 1700 people in fuel poverty on their books who they are unable to help.
- 5.26. **RE:NEW** is looking to do work in this area and would welcome ideas / approaches. They could, for example, help with data analysis.

6. Redress Funding

Presentation by Peter Sumbly, NEA

Also see presentation slides

- 6.1. NEA is managing £26.2m of redress funding. Redress 1 (£20m) is available throughout England, Scotland and Wales and most be 'reasonably geographically split'. Redress 2 (£6.2m) is ring-fences for particular geographical areas (outside of London).

6.2. The funding must benefit at least as many householders as lost out: a target of 6000 householders has been set (5000 missed out). The funding will target vulnerable and low income householders (although there's no eligibility criteria as such and no tenure specifics) and must not overlap with ECO or any other Ofgem scheme (so match funding through ECO is not allowed). Innovation is encouraged but there must be no additional administrative burden to Ofgem.

6.3. There are three funds:

- a) Warm Zones Fund: fills the gaps in the current ECO provision. 10% of beneficiaries will be off the gas grid. 2280 properties will receive hard measures and another 2000 will get benefits/energy advice: this will increase if match funding is provided.
- b) Technical Innovation Fund: Expressions of Interest closed 29 May – 190 submissions were received. These will now be assessed and successful organisations invited to tender (closing date 7 August). Both high and lower costs measures are included, as well as training, community engagement and support.
- c) Warm and Healthy Homes Fund: the Partnership programme is launching today and will assist 1000 homes in 10 locations across England and Wales (average cost £3250 per home – max £4k). The deadline for Expressions of Interest is 20 June: invitations to tender will then be due by 4 September with a view to the projects starting in October. In order to get the project up and running quickly, successful bidders will probably already have a relationship with the health sector.

The HIA/Smaller measures programme will assist 1000 homes in 10 locations across England and Wales (average cost £250 per home). The call for projects runs from 15 June to 7 August and will likely include community engagement, staff training, etc.

6.4. Nick Huston will be taking over the running of the redress fund and he can be contacted at nick.huston@nea.org.uk. FAQs are available at www.nea.org.uk/redressing-the-balance.

Q&A session

6.5. How will the regions be split?

Nominally the 9 English regions and 1 in Wales, but it depends on the quality and quantity of bids

6.6. Can we bid as a consortium?

Yes, but it would spread the funds more thinly.

7. AOB

7.1. Following the joint GLA-London HECA Forum fuel poverty workshop on 1st May, Boroughs are encouraged to feedback to James Hardy with information about fuel poverty activities they are running locally.

7.2. The secretariat will be contacting all members regarding membership fees. The standard annual subscription is £200, although this is optional for Boroughs.

7.3. Offers to host future meetings would be gratefully received: please contact rachael.mills@se-2.co.uk if you're able to help (Camden and Sustainable Bridges both came forward. Southwark would be happy to host again and NEA may also be happy to help).

7.4. The next London HECA Forum meeting will be held on the morning of Friday 25th September, kindly hosted by Kensington and Chelsea. There was general consensus that the one after that (in December) could be jointly held with LBEG again.