

Executive Decision

From: Paul Crick - Director of Environment, Planning & Enforcement

To: David Brazier - Cabinet Member for Environment & Transport

Decision No: 14/00070

Subject: Kent and Medway Sustainable Energy Partnership – Retrofitting framework

Key decision *Impacts more than 2 Electoral Divisions*
Expenditure or savings of > £1m – including if over several phases
(NB: spend associated with the framework is not KCC spend but potential funding drawn in and spend by partners, this decision is about setting up the framework, and does not include a decision regarding any KCC spend)

Classification: **Unrestricted**

Past Pathway of Paper:

Future Pathway of Paper: Cabinet Member for Environment and Transport

Electoral Division: Across Kent

Summary: A decision is being sought regarding approval for KCC to procure, on behalf of the Kent and Medway Sustainable Energy Partnership, a sustainable energy retrofitting framework for Kent and Medway and appoint a number of preferred tenderers to the framework following the procurement process.

The value of the framework is estimated at £10,000,000 to £25,000,000. This represents a combination of national funding drawn into Kent and Medway, access to nationally available finance and some partner budgets.

Recommendation(s):

That the Cabinet Member for Environment & Transport approves the establishment of the Sustainable Energy Retrofitting Framework and:

1. Agrees that KCC acts as lead authority to establish the framework and run the procurement process.
2. Agrees that KCC manages the framework to support districts and registered housing provider partners to call off for specific projects within their district
3. Agrees that KCC supports project development to facilitate district and partner run projects.
4. Agrees that KCC will facilitate the delivery of measures to private residents through supporting marketing and communication and through the funded HHCRO programme delivered via the framework.
5. Agrees that where KCC draws from the framework, all proposed future spend by the Authority will go through the established KCC approval process.

6. Agrees to delegate authority to the Director of Environment, Planning and Enforcement to sign the Award report and contracts when preferred tenderers are appointed to the framework.

1. Introduction

- 1.1 A decision is being sought to allow Kent County Council, on behalf of the Kent and Medway Sustainable Energy Partnership (KMSEP), to procure and set up a framework agreement with a small panel of Suppliers to provide energy efficiency and retrofitting services through Energy Company Obligation (ECO) (and other) funding (i.e. Green Deal cash back, non-refundable grants), Green Deal and other suitable finance (i.e. loans).
- 1.2 Setting up a framework provides KCC, districts and social housing providers with the potential to access ECO (and other) grant funding, Green Deal (and other) finance to improve their own housing stock but there is no obligation to call off the framework.
- 1.3 Setting up the framework also enables Kent authorities to work with successful suppliers to offer part or fully funded energy efficiency measures to private residents through joint communications and use of our own trusted brands.
- 1.4 This framework replaces the ECO Funding Provider framework procured in 2013 as it is no longer viable due to national government funding changes. All members were previously been made aware of the project and the aims of the KMSEP and had agreed procurement of the previous ECO framework.

2. Financial Implications

- 2.1 The anticipated value for the framework is approximately £15-25 million, subject to resident take up and national changes to funding for energy efficiency measures. The figure represents the value of funding levied into Kent, as well as direct contribution from partners to improving their own social stock, and not a value spent by KCC.
- 2.2 KCC staff time will be used to manage the framework and support the development of energy efficiency projects to be implemented through the framework which is allocated from the Sustainability and Climate Change core budget.

3. Bold Steps for Kent and Policy Framework

- 3.1 The Kent and Medway Sustainable Energy Retrofitting framework will deliver on all three of the core themes. It will help to grow the Kent economy by supporting local businesses to access funding and a route to market for low carbon technologies. It supports putting the citizen in control by simplifying the complex nature of the national energy efficiency funding market and helps local residents to access national government funding and relevant finance to enable them to make their properties more energy efficient and so save money on energy bills. It tackles disadvantage by providing funding and support for those vulnerable residents in fuel poverty.

- 3.2 This will contribute to the delivery of the key priorities for Environment, Planning & Enforcement as identified in the Strategic Priority Statement 2014/15, specifically:
- The 'Kent Environment Strategy' - EF1.1: We will simplify the energy and water efficiency support landscape for Kent residents and support development of and access to, finance mechanisms such as the Green Deal and Energy Company Obligation (ECO)
 - Build a strong relationship with key business sectors across Kent (this will support the growth of the low carbon sector in Kent)
 - Respond to key regeneration challenges working with our partners
 - Improve services for the most vulnerable people in Kent (this will tackle issues around fuel poverty)
 - Links to the low carbon sector priorities in the Kent and Medway Growth Plan

4. The Report

- 4.1 In February 2012 the Kent and Medway Green Deal Partnership (now K&M Sustainable Energy Partnership) was established to support the delivery of the governments' new energy efficiency programmes Green Deal and the Energy Company Obligation and to drive the energy efficiency retrofitting of Kent's buildings. The partnership aims are:
- To ensure residents and businesses receive a clear and consistent message about the funding and finance options are available to support retrofitting of energy efficiency measures and what the best options are for them.
 - To tackle fuel poverty by drawing in as much ECO and other funding to Kent as possible.
 - To support our local network of SMEs to be 'Green Deal Ready' and take advantage of economic growth and opportunities in the sector.
 - To reduce carbon emissions in Kent and Medway.
- 4.2 The following options were considered and rejected by the Kent and Medway Green Deal Partnership:
- Option 1): Become a Green Deal Providers - this was deemed to hold too great a financial risk to the local authority.
- Option 2): Promote Green Deal and energy efficiency generally but with no specific involvement – this option was considered to be too passive to really achieve the aims of the partnership in terms of supporting local businesses and facilitating local residents to access funding and make energy efficiency improvements. In particular this did not fully address the priorities of Bold Steps.
- Option 3): Do nothing
- The partnership proposals were reported to and agreed by the Environment, Highways & Waste Cabinet Committee on 15th November 2012. Procurement of this framework represents next steps in the approach.
- 4.3 The most effective route to supporting the retrofitting of Kent's buildings to make them more energy efficient and to deliver the aims of the Kent and Medway Sustainable Energy Partnership is to establish a Kent and Medway Sustainable Energy Retrofitting Framework as this will allow access to relevant funding streams and finance.
- 4.4 Facilitating the retrofitting of cold homes with energy efficiency measures will support the public health agenda by providing a framework for the delivery of the Winter Warmth programme and helping residents in fuel poverty. Links

between public health and retrofitting through the Warm Homes programme are outlined in the JSNA Sustainability Assessment.

- 4.5 Potentially the framework could also provide a route to support the retrofitting of KCC owned buildings. Where this is identified as an opportunity the budget spend to achieved energy efficiency will be approved through the established KCC channels (this decision is about setting up the framework, and does not include a decision regarding any KCC spend).
- 4.6 Officers are working with KCC's legal team to draw up framework contracts and ensure that we work with preferred tenderers in a ways that protects KCC's brand and reputation.
- 4.7 An Equalities Impact Assessment has been carried out on the services to be delivered by the project/framework so that so that the effect on groups with protected characteristics is identified and action taken to ensure discrimination is eliminated.

5. Conclusions

The most effective route to supporting the retrofitting of Kent's buildings to make them more energy efficient and to deliver the aims of the Kent and Medway Sustainable Energy Partnership is to establish a Kent and Medway Sustainable Energy Retrofitting Framework. KCC is best placed to take a lead in the establishment and management of the framework.

Although the potential value of the framework is up to £25million, this figure does not present KCC spend and the decision is to set up a framework rather than agree any future spend through it.

6. Recommendation(s):

The Cabinet Member for Environment and Transport is asked to consider and approve the establishment of the Sustainable Energy Retrofitting Framework and:

1. Agree that KCC acts as lead authority to establish the framework and run the procurement process
2. Agree that KCC manages the framework to support districts and registered housing provider partners to call off for specific projects within their district
3. Agree that KCC supports project development to facilitate district and partner run projects
4. Agree that KCC will facilitate the delivery of measures to private residents through the framework
5. Agree that where KCC draws from the framework all proposed future spend will go through the established KCC approval process.
6. Agree to delegate authority to the Director of Environment, Planning & Enforcement to sign the Award report and contracts when preferred tenderers are appointed to the framework.

7. Background Documents

- 7.1 Procurement Plan SS13158 Kent and Medway Sustainable Energy Retrofitting Framework

- 7.2. Kent and Medway Green Deal Partnership (now Sustainable Energy Partnership) Action Plan
- 7.3 Equalities Impact Assessment
- 7.4 Report and minutes from the Environment, Highways & Waste Cabinet Committee meeting on 15th November 2012.

<https://democracy.kent.gov.uk/documents/s36460/Item%20D3%20-%20Green%20Deal%20Retrofit.pdf>

<https://democracy.kent.gov.uk/documents/g4907/Printed%20minutes%2015th-Nov-2012%2009.30%20Environment%20Highways%20and%20Waste%20Cabinet%20Committee.pdf?T=1>

8. Contact details

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