



## **North Devon Council**

Report Date: Monday, 8 April 2024

Topic: 361 Energy CIC Contract

Report by: Wendy Slate, Service Lead - Private Sector Housing

### **1. INTRODUCTION**

- 1.1. Members approved the commissioning of 361 Energy CIC, to provide a home energy service at the Strategy & Resources meeting on 12<sup>th</sup> April 2021 (minute 9 – 21<sup>st</sup> April 2021 refers).
- 1.2. The contract was for a 3 year period (October 2021 to September 2024) and was to provide a tailored support service to around 200 households per year.
- 1.3. This paper provides an update on the contract and seeking approval to enter into a revised contract from October 2024, for a further 3 year period.

### **2. RECOMMENDATIONS**

- 2.1. To approve NDC entering into a revised contract with 361 Energy CIC from October 2024, for a further 3 year period (£24k per year; total contract £72k).
- 2.2. To approve setting aside Constitutional requirements to seek at least 3 quotes.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1. To continue to commission 361 Energy CIC for a home energy service for a further 3 years, as the households assisted have received an estimated financial gain of £158,325.15, but with some enhancements (detailed within 4.13).
- 3.2. Working with 361 Energy CIC, who are already commissioned to provide complementary services through the Local Energy Advice Partnership (LEAP), represents the best value option for providing an energy advisory service based upon the price, quality and expertise offered by them (which is recognised by other statutory partners) and therefore, for these reasons, seeking at least three quotes will not result in a better value solution.

3.3.361 Energy CIC is a not-for-profit community interest company that is based in North Devon and Torridge, who support households in fuel poverty. They are an integral partner for energy efficiency projects, including Energy Company Obligation, Local Authority Delivery Scheme and Home Upgrade Scheme. They work in partnership with the other 4 Community Energy Groups covering other parts of Devon. They're trained in working with the fuel poor, providing energy advice and managing works.

#### 4. REPORT

4.1. NDC commissioned 361 Energy CIC to provide a home energy service for a 3 year period for £20k yr-1 and the advice would include:

- 4.1.1. Behaviour tips – simple lifestyle changes that can make significant savings (e.g. turning appliances off standby, limiting hot water usage, low energy lighting, etc.).
- 4.1.2. Fabric measures – information on insulation systems for different properties with guidance on the financial benefits and CO<sub>2</sub> savings.
- 4.1.3. Heating – promoting the benefits of thermostatic heating controls and how to maximise comfort whilst saving energy.
- 4.1.4. Funding – the latest local, regional or national schemes that offer support towards the cost of energy efficiency measures.
- 4.1.5. Fuel switching – advice on the most cost-effective and low carbon fuel sources relevant to a property's location.
- 4.1.6. Tariff switching – helping resident switch to the best energy deals.  
Renewable energy – advice on the best systems, ancillary products (e.g. solar batteries) and Government incentives (e.g. Domestic RHI).

4.2. The service was to be targeted at residents who need more support and are at most risk of fuel poverty, namely, in order of priority:

- 4.2.1. Residents who have applied for a Disabled Facilities Grant.
- 4.2.2. Homeless applicants who have been supported to move into private rented accommodation.
- 4.2.3. Residents in receipt of state benefits in relation to Affordable Warmth Criteria.
- 4.2.4. Residents that meet the criteria in North Devon Council's Statement of Intent.
- 4.2.5. Residents with a low household income that live in a property with high running costs (this can be determined via a fuel poverty assessment).

- 4.3. The client would initially receive a detailed telephone advice call followed by a home assessment. The home assessment is carried out by a fully trained Home Energy Advisor and this assessment can take up to 2 hours. The advisor would ascertain the householders circumstances and requirements; some of this can be met by quick interventions i.e. provision of curtains, radiator foils. Other interventions will require appropriate follow up work and can be resource intensive. The advisor has access to wider services and will assist the client in making applications and provide support throughout the process; this could include Household Support Fund schemes (DCC provided funding for small energy efficiency measures) and/or replacement boiler (via LEAP).
- 4.4. Since the service has been in operation 272 households have been referred. Below is a breakdown of completed referrals and assistance provided:
- 4.4.1. October 2021 – March 2022: 45 households with an estimated financial benefit of £30,366
- 4.4.2. April 2022 – March 2023: 118 households with an estimated financial benefit of £78,414.
- 4.4.3. April 2023 – December 2023: 42 households with an estimated financial benefit of £34,415.35.
- 4.4.4. January 2024 to 29<sup>th</sup> February – 20 households with an estimated financial benefit of £15,129.80.
- 4.4.5. Total estimated financial benefit to date is £158,325.15 (examples of the financial benefits are detailed within 4.6)
- 4.4.6. 30 households declined a home visit post telephone call or were not available when the home visit was scheduled.
- 4.5. As at 1<sup>st</sup> March there are 17 households awaiting either a home visit or completion of interventions.
- 4.6. The financial benefits householders received came under 5 categories: (a) income maximisation & debt advice, (b) energy efficiency measures, (c) behaviour change, (d) technology and (e) home measures & wider support. Assistance included vouchers (fuel top up voucher & household support fund), assistance with new benefit claims, provision of energy efficiency measures to reduce energy costs (LED bulbs, heated throws, curtains, upgraded white goods & radiator foils), advice on behaviour change to reduce energy costs (thermostat, wash at 30 degrees, defrosting freezer) and provision of Smart meters.

- 4.7. In addition to these financial benefits, households were assisted to be added to the Priority Service Register, referrals to other organisations, including Fire Service for a home safety check, South West Water and WiserMoney to enable the resident to receive a very holistic service.
- 4.8. The Government announced in the Spring Budget the extension of the Household Support Fund for a 6 month period (April to September 2024), together with an additional £500 million, to continue providing targeted support to vulnerable households with the cost of essentials such as food and utilities.
- 4.9. The majority of the referrals were from residents who have applied for a Disabled Facilities Grant and referrals from the other categories were difficult to achieve. There were a few referrals from those households who met the criteria in NDC's Statement of Intent, but many of these had already engaged with the approved installers and were aware of the eligible energy measures under the Energy Company Obligation scheme. In agreement, we expanded the definition of 'homelessness applicants' to include those under homelessness prevention and this did increase the referrals for this client group. Training was provided to colleagues within the housing team and reminders were issued to reiterate the benefit of the service.
- 4.10. Whilst acknowledging that we didn't receive our target of 200 householders per year, we are confident that the service has been invaluable for those receiving the assistance. The initial aim to assist 200 householders was based on number of Disabled Facilities Grant applications received in a year. All applicants applying for a Disabled Facilities Grant were contacted to offer the service and some declined as they were either already engaged with 361 Energy CIC, or receiving assistance from their landlords support service. Others declined as they felt that they didn't need the assistance (some had already carried out their own energy efficiency measures) or they were just managing their health conditions.
- 4.11. NDC has benefited from having a dedicated Private Sector – Energy Efficiency Officer from December 2023, but they are not a fully trained Home Energy Advisor. Their role will be to monitor this contract to ensure that the specification is being adhered to and to ensure that referrals are being made from all relevant departments of the Council. This post holder also oversees Energy Company Obligation Flex Scheme and where relevant make referrals to 361 Energy CIC for a householder to receive the holistic service.

- 4.12. National Energy Action have produced their UK Fuel Poverty Monitoring Report 2022-23 and outlines the benefits for individuals receiving assistance; which include energy cost savings, improvement in debt repayment and improvements in household safety, health & well-being. Research has evidenced that when vulnerable households access support, the benefits can be life changing.
- 4.13. Taking the lessons learnt from the current contract, we have been in discussion with colleagues and representative at 361 Energy CIC to review and enhance the contract from October 2024. The enhancements would include expansion of the resident group eligible to be referred (i.e. those applying for Energy Company Obligation grant funding, Care Leavers moving from supported accommodation, those in financial difficulties) and detailing the provisions of energy efficient measures that could be funded via Better Care Fund grants (contained with our Financial Assistance Policy for the Better Care Fund).
- 4.14. The new contract will not include a target of householders who should be supported via the scheme as referrals are reliant upon identifying a householder, the householder meeting the criteria and their willingness to engage with 361 Energy CIC. However, output measures will be monitored by our Private Sector – Energy Efficiency Officer.
- 4.15. Our strategy to increase participation for the next 3 years will include:
- 4.15.1. Continuing to contact all Disabled Facilities Grant applicants
  - 4.15.2. Liaising regularly with colleagues within our Housing Options Service to encourage referrals from:
    - 4.15.2.1. Homelessness / prevention applicants
    - 4.15.2.2. Care Leavers assisted into accommodation
  - 4.14.3 Households identified by other departments of the Council i.e. Customer Service Centre, Private Sector Housing Team
  - 4.14.4 Households enquiring and/or applying for energy efficiency measures via the Energy Company Obligation Flex Scheme (or other Government funded scheme)
- Our Private Sector – Energy Efficiency Officer will provide promotional information to all departments within the Council and continually monitor the referral rates.



## 5. RESOURCE IMPLICATIONS

5.1. A £24k yr-1 contract with 361 Energy CIC for a 3 year period to provide a home energy advice service; total contract £72k and this amount has been incorporated to the baseline revenue budget.

## 6. EQUALITIES ASSESSMENT

6.1. An equality impact assessment for this project has been completed.

## 7. ENVIRONMENTAL ASSESSMENT

7.1. Potential improvements in energy efficiency from increased housing standards may impact positively on the environment.

## 8. CORPORATE PRIORITIES

8.1. What impact, positive or negative, does the subject of this report have on:

8.1.1. The commercialisation agenda:

8.1.1.1. None

8.1.2. Improving customer focus and/or

8.1.2.1. Providing residents of North Devon a free home energy advice service to reduce their carbon footprint and save money

8.1.3. Regeneration or economic development

8.1.3.1. Improvement in housing standards

## 9. CONSTITUTIONAL CONTEXT

9.1 The decision in respect of the recommendations in this report can be made by this Committee pursuant to delegated powers provided in paragraph 1 of Annexe 1 to Part 3 of the Constitution and also paragraph 12.1 of the Contract Procedure Rules in Part 4 of the Constitution.

## 10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

## 11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

- Strategy & Resources meeting on 12<sup>th</sup> April 2021 (minute 9 – 21<sup>st</sup> April 2021 refers).
- Financial Policy for the Better Care Fund



(The background papers are available for inspection and kept by the author of the report).

## 12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Wendy Slate: Service Lead – Private Sector Housing