



COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting: 17th January 2008

Title: Energy Savings Trust Advice Centre (ESTAC) for Cumbria and Lancashire.

Report of: Director of Development Services

Report reference: DS/08/08

Summary: The contract for the existing Energy Efficiency Advice Centre (EEAC) service concludes at the end of March 2008 and funding from the Energy Savings Trust (EST) will cease. The attached report to the Executive (DS.118/07) sets out the background to the arrangements for its replacement, through an Energy Savings Trust Advice Centre (ESTAC) for Cumbria and Lancashire. This will include Energy Efficiency, Renewable Energy and Transport issues with the possibility of including waste minimisation and water recycling in future. The EEAC is developing a submission to the EST. The Executive agreed on 17 December 2007 to complete the tender submission on terms to be agreed by the Health and Wellbeing Portfolio Holder, the Director of Development Services and the Director of Corporate Services.

Questions for / Input required by Scrutiny: The implications of submitting a proposal for a new Energy Savings Trust Advice Centre.

Recommendations: To refer any comment on the proposals to the Executive.

Contact Officer: Allan Dickson

Ext: 7339

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None
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REPORT TO EXECUTIVE

PORTFOLIO AREA: Health and Wellbeing

Date of Meeting: 17th December 2007

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside/Outside Policy Framework

Title: Energy Saving Trust Advice Centre (ESTAC) for Cumbria and Lancashire

Report of: Director of Development Services

Report reference: DS.118.07

Summary:

The contract for Cumbria Energy Efficiency Advice Centre finishes at the end of this financial year. The Energy Saving Trust has decided to discontinue the funding of the Cumbria Energy Efficiency Advice Centre (CEEAC), and put in place Energy Savings Trust Advice Centres (ESTAC's) to cover a wider geographical area, including one serving Cumbria and Lancashire. Members will be aware of the previous report (DS.15/07) which gave extensive detail on the Strategic and Operational issues in setting up such a Centre.

These new Centres will have a wider remit than the current EEAC's, dealing with Energy Efficiency, Transport, Renewable Energy, water recycling and waste minimisation etc. This report requests permission for completion of the full EU tender for the Energy Saving Trust Advice Centre for Cumbria and Lancashire

Recommendations:

That permission is granted to complete the tender and, if successful, accept the contract to run the ESTAC for 3 years.

Catherine Elliot

Director of Development Services

Contact Officer: Allan Dickson/ Suzanne Burgess

Ext: 7339

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1.0 BACKGROUND INFORMATION AND OPTION

- 1.1 Cumbria Energy Efficiency Advice Centre (CEEAC) has become synonymous in the energy efficiency field with an innovative, quality service to domestic householders in Cumbria. Built from a single part time employee in 1996 CEEAC now employs 11 full time equivalent staff.
- 1.2 CEEAC will cease to exist when the Energy Saving Trust launch their new flagship advice centres (as launched on Tuesday 20th November by Hilary Benn, Secretary of State for Environment, Food and Rural Affairs) in the new financial year 2008/9. This will mean that, should the tendering exercise not be entered into, or another Agency wins the tender, all staff apart from one part time officer will require to be made redundant, or be the subject of a TUPE (Transfer of Undertaking, Protection of Employment) process, to the new Agency. The superb service that Carlisle City Council has had the benefit of for the last 11 years would therefore cease to exist. The partnering arrangement that will be necessary to make the ESTAC work, has been discussed with Corporate Services and can be achieved. It is not anticipated that the City Council will be responsible for any redundancy funding, should the CEEAC cease to exist.
- 1.3 In terms of revenue generated for the city as a result of the demise of CEEAC this is conservatively estimated at £11.6M. This is calculated by taking EST calculations for the savings achieved as a result of installing energy efficiency measures in domestic homes. These are not hypothetical figures but scientifically proven figures from EST and the British Research Establishment. The regeneration is tangible, not vague in it's attempt to quantify savings. Furthermore, the benefits to householders in terms of improved comfort and reduced fuel bills speak volumes about the Council's regard for the welfare for its residents.
- 1.4 Naturally, as a Council signed up to the Nottingham Declaration, this has all been very important to Carlisle City Council and current negotiations with EST about the Council's carbon footprint rely on a very close relationship with the ESTAC. The carbon impact of not continuing with the services of the ESTAC would be in the region of 5000 tons of CO₂.

- 1.5 None of this work would have been completed without the huge financial support from EST and, should the Council decide not to tender for the ESTAC, then little other work would be carried out in Carlisle without the significant financial input of the Council. Effectively, all of the excellent work that CEEAC has become acclaimed for over the last 11 years will stop.
- 1.6 During this financial year, CEEAC has won the highly coveted Ashden Award for Sustainable Energy, The Green Organisations Green Apple Award for which there were 750 entrants, and have now been shortlisted with Sky television, The Carbon Trust and the University of Edinburgh for the National Energy Efficiency Awards.
- 1.7 All of these awards have generated huge national coverage for Carlisle City Council culminating in a supplement produced by the Independent, in conjunction with CEEAC, which will be published in the Independent newspaper on 10th December. This is in recognition of the groundbreaking work carried out by CEEAC, with a small team of 11 staff. In addition Carlisle is once again leading the way, achieving the targets set under the Home Energy Conservation Act, 2 years early. Only the most forward thinking local authorities have achieved this.
- 1.8 It is proposed that Carlisle City Council submits a tender for the ESTAC, and if successful, we will create a partnership with Blackburn and Darwen Borough Council, who currently run Lancashire Energy Efficiency Advice Centre. This will be critical to the success of the bid and delivery of the ESTAC targets. Blackburn & Darwen have currently committed in kind services in excess of £38,000 annually including the provision of free office accommodation for the anticipated 8 staff, who would provide the service in the Blackburn area, including rates and utilities. Members agreed in principle to the submission of a tender for this work (report No. DS.15/07) in February 2007, along with supporting the working relationship between Carlisle and Blackburn.
- 1.9 Blackburn & Darwen, in common with other Local Authority ESTACs/EEACs, provide free legal, financial, HR, IT and management support. They will also employ the staff (costs to be reimbursed through the partnership agreement) as Blackburn & Darwen staff, and hold the appropriate redundancy funds if necessary.

- 1.10 In comparison, CEEAC already funds accommodation, utilities, rent and consumables. The extent of the support requested from Carlisle City Council is purely the “in-kind” legal, financial, HR and IT that has been provided for the last 11 years, in addition to the funding provided for a part time HECA Officer, which has also been provided over the past 11 years. Blackburn and Darwen are prepared to commit substantially more in terms of in-kind support than Carlisle, in recognition of the expertise and kudos generated by CEEAC over the last 11 years, and the strength of the partnership.
- 1.11 There will be no increase in financial burden to the Council. CEEAC budgets for projects have regularly run over £1.5 million and the funding for the ESTAC is estimated to be in the region of £750,000. It would be impossible for Carlisle to run the ESTAC alone, as the size of Cumbria in terms of households, is not sustainable for an ESTAC, and the local knowledge of the Lancashire staff is key to the service delivery. In addition, there is a requirement that, in order for the ESTAC to be sustainable, there needs to be a core number of households of approximately 500,000.

2.0 CONSULTATION

- 2.1 Consultation to Date
- 2.2 Consultation Proposed

3.0 RECOMMENDATIONS

- 3.1 That permission is granted to complete the tender and if successful, accept the contract to run the ESTAC for 3 years.

4.0 REASONS FOR RECOMMENDATIONS

4.1 In summary, failure to support the tender for the Cumbria and Lancashire ESTAC would result in:

- redundancy of 10 staff
- Income revenue to residents as a result of reduced fuel bills, reduced by £ annually
- No staff to develop and deliver affordable warmth strategies
- No staff to develop and deliver Decent Homes thermal efficiency programmes
- Carlisle failing to achieve it's potential for domestic carbon dioxide savings

4.2 Supporting the proposal for the ESTAC would result in:

- Continued high profile of Carlisle City Council in the domestic carbon field.
- Continued development of the Cumbria Affordable Warmth Strategy, currently led by CEEAC.
- Attraction of a significantly higher proportion of utility and central government funding per capita, than other similar areas.
- Further development of the LAA for affordable warmth for which CEEAC leads.
- Further integration of the public, private and third sector organisations to deliver income maximisation, social inclusion and environmental objectives.

5.0 IMPLICATIONS

- Staffing/Resources – No extra costs will be incurred by the City Council, in hosting the new ESTAC. Funding has been provided to the CEEAC for the past 11 years.

- Financial – The Corporate Services Procurement team have submitted a Pre qualification questionnaire on behalf of the Carlisle and Blackburn collaboration as a preliminary stage of a full EU tender for the Energy Saving Trust Advice Centre for Cumbria and Lancashire. The actual Tender documents are expected week commencing the 10th of December. When received a working group will consider the relative aspects of the operation and produce the costs of the service. The potential saving of £35,400 has been included as part of the budget process for 2008-09 to 2010-2011; a number of options will be considered and will include the proposal of how to make the service self financing from the City Council perspective as requested by the Executive on Wednesday 28th of November.
- Legal – The Council has power under section 2 of the Local Government Act 2000 to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well being of the whole or part of its area or some or all of its residents. This includes incurring expenditure and entering into arrangements with any persons or bodies to achieve these ends and doing anything outside its area if it believes this will achieve the above objectives. In determining whether to use the above powers , the authority must have regard to its own community strategy and, as always, its fiduciary duty to its local taxpayers when weighing up the advantages and disadvantages of any particular course of action. The above powers should be sufficient to enable the Council to enter into the arrangements proposed, subject to any legal agreements and arrangements being first vetted and approved by officers to ensure that they present no unacceptable risks to the Council."
- Corporate – The City Council will be the Host Organisation, the same as it is for the current CEEAC, but the ESTAC will be responsible for any redundancies should these occur in the future. This will be written into the partnership document, prior to finalisation of the tendering process.
- Risk Management – See details in the body of the report.
- Equality Issues – We would be in a much stronger position to assist vulnerable people including those in Fuel Poverty, if we continue to have a high profile service in the Carlisle area.

- Environmental – Contribution towards PFI Targets; reduced carbon footprints; Energy Use minimisation; Contribution to reducing Global Warming.
- Crime and Disorder – None
- Impact on Customers – Continuation of an award winning service that no other agency in the country currently provides, although many others (including one of the largest utility companies) are trying to emulate CEEAC success. Provision of a service that improves the housing, health and living conditions of the people of Cumbria.

Catherine Elliot

Director of Development Services

Contact Officer: Allan Dickson/ Suzanne Burgess **Ext:** 7339