

Finance and Resources Committee

10.00 am, Thursday 26 November 2015

Energy Advice and Support for Housing Services – referral from the Health, Social Care and Housing Committee

Item number	7.15
Report number	
Wards	All

Executive summary

The Health, Social Care and Housing Committee on 10 November 2015 considered a report from the Acting Director of Services for Communities seeking approval to continue the Service Level Agreement (SLA) between the Housing Service and Changeworks Resources for Life (Changeworks) for the provision of energy related services, noting that savings of up to 10% will be sought in 2016/17, in line with Council's approach to securing savings from third sector organisations through collaborative working.

The report set out a number of energy services required to support the development of the housing strategy over the next three years.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Terms of Referral

Energy Advice and Support for Housing Services

Terms of referral

- 1.1 At its meeting on 3 February 2015, the Finance and Resources Committee agreed to extend the SLA for Changeworks until 31 March 2016. Changeworks is an environmental charity and social enterprise that works in collaboration with public and third sector organisations, schools, communities and businesses.
- 1.2 The services provided by Changeworks include energy advice to Council tenants, project development support to energy related investment projects funded through the Housing Revenue Account (HRA) and managing contractors delivering the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) in Edinburgh under the SLA.
- 1.3 The Housing Service has reviewed the options and requirements for energy related services. The review examined the services required and the most appropriate and cost effective way of delivering them. The review addresses only the energy services required by the Council's Housing Service and not any other services the Council may commission from the organisations.
- 1.4 Over the last two years the services provided by Changeworks have fallen into the following categories:
 - a. Advice and support to tenants and training for Council staff.
 - b. Fuel poverty consultancy.
 - c. Technical consultancy.
- 1.5 As the Transformation Programme is currently ongoing, there may be a need to change the services required for energy projects linked to housing. It is unlikely that demand for energy advice and support will decrease, so the SLA could be further developed to reflect this, or advice services could be offered in-house, in addition to those currently offered via the SLA. Some services could be brought in-house through recruitment, depending on the structure arrived at through the Transformation project. Energy advice services could be brought in-house with complex cases continuing to be referred to Changeworks projects. An extension of up to three years allows critical projects, such as delivery of HEEPS:ABS and planning for meeting the Energy Efficiency Standard for Social Housing EESSH target which are currently underway, to be completed. HEEPS:ABS funding is expected to continue in its current format until March 2017, and Changeworks manages the delivery of these projects on behalf of the Council under the SLA. The investment programme required to ensure Council homes meet the EESSH is under development with support from Changeworks Consultancy team.

- 1.6 The Health, Social Care and Housing Committee agreed:
- 1.6.1 To continue to procure energy related services from Changeworks up to a value of £140,000.
 - 1.6.2 To note that savings of up to 10% will be sought through negotiation with Changeworks.
 - 1.6.3 To refer the report to the Finance and Resources Committee to seek approval to waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.

For Decision/Action

- 2.1 The Finance and Resources Committee is asked to waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.

Background reading / external references

Health, Social Care and Housing Committee 8 September 2015.

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Head of Legal and Risk

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Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendices	See attached report

Health, Social Care and Housing Committee

10.00am, Tuesday, 10 November 2015

Energy Advice and Support for Housing Services

Item number

Report number

Executive/routine

Executive

Wards

All

Executive summary

This report seeks approval to continue the Service Level Agreement (SLA) between the Housing Service and Changeworks Resources for Life (Changeworks) for the provision of energy related services, noting that savings of up to 10% will be sought in 2016/17, in line with Council's approach to securing savings from third sector organisations through collaborative working.

The services include energy advice to Council tenants, project development support to energy related investment projects funded through the Housing Revenue Account (HRA) and managing contractors delivering the Home Energy Efficiency Programmes for Scotland: Area Based Schemes (HEEPS:ABS) in Edinburgh.

The report sets out a number of energy services required to support the development of the housing strategy over the next three years.

Links

Coalition pledges

[P8 P44 P49 P50 P53](#)

Council outcomes

[CO4 CO8 CO10 CO16 CO17 CO18 CO19 CO25](#)

Single Outcome Agreement

[SOA 2 SOA3 SOA4](#)

Energy Advice and Support for Housing Services

Recommendations

It is recommended that the Health, Social Care and Housing Committee agrees:

- 1.1 To continue to procure energy related services from Changeworks up to a value of £140,000.
- 1.2 To note that savings of up to 10% will be sought through negotiation with Changeworks.
- 1.3 To refer this report to the Finance and Resources Committee to seek approval to waive the Council's Contract Standing Orders to extend the Service Level Agreement (SLA) by two years, with an option to extend for a further year.

Background

- 2.1 At its meeting on 3 February 2015, the Finance and Resources Committee agreed to extend the SLA for Changeworks until 31 March 2016. Changeworks is an environmental charity and social enterprise that works in collaboration with public and third sector organisations, schools, communities and businesses.
- 2.2 Changeworks provides a number of services including energy advice for tenants and analysis and project development support for HRA investment in heating and energy efficiency programmes. Changeworks also manages the delivery in Edinburgh of HEEPS:ABS under the SLA.
- 2.3 Changeworks has provided these services under a SLA since 2010 and prior to that in the form of grant aid.

Main report

- 3.1 The purpose of this report discharges the commitment to review services and report to Finance and Resources Committee. The Housing Service has reviewed the options and requirements for energy related services. The review examined the services required and the most appropriate and cost effective way of delivering them.
- 3.2 This report addresses only the energy services required by the Council's Housing Service and not any other services the Council may commission from the organisations.
- 3.3 Over the last two years the services provided by Changeworks have fallen into the following categories:
 - Advice and support to tenants and training for Council staff.

- Fuel poverty consultancy.
 - Technical consultancy.
- 3.4 This area of work covers a range of activities including new build homes, retrofit and improvements and advice and support to the Council's welfare reform and income maximisation staff. This support helps identify projects, develop policy and deliver improvements across different house types, technologies, advice and behaviour interventions. These include:
- Staff training on basic advice and referrals.
 - Face to face in-depth advice and support to tenants through the Affordable Warmth project.
 - Fuel poverty consultancy to support the Council's increased focus on advice and communications.
 - Developing investment programmes and supporting the achievement of Energy Efficiency Standard for Social Housing (ESSH) by 2020 for existing homes and meeting more stringent building regulations for new build.
- 3.5 Demand for support under the Affordable Warmth project currently far exceeds the resources within the team to deliver advice to the number of tenants in need. A waiting list for the service was in operation during summer 2015.
- 3.6 The current arrangement allows the Housing Service access to a network of expertise, including technical support, statistical analysis, advice, communications, behaviour change and policy development. There are other benefits, such as Changeworks being an impartial organisation to carry out research and gather tenant feedback on Council energy efficiency projects, such as external wall insulation and heating replacement programmes. The major advantage of services being delivered by one organisation is that all projects align closely with Council objectives and focus on the benefits that can be achieved for Edinburgh's Council tenants.
- 3.7 As the Transformation Programme is currently ongoing, there may be a need to change the services required for energy projects linked to housing. It is unlikely that demand for energy advice and support will decrease, so the SLA could be further developed to reflect this, or advice services could be offered in-house, in addition to those currently offered via the SLA. Some services could be brought in-house through recruitment, depending on the structure arrived at through the Transformation project. Energy advice services could be brought in-house with complex cases continuing to be referred to Changeworks projects. An extension of up to three years allows critical projects, such as delivery of HEEPS:ABS and planning for meeting the ESSH target which are currently underway, to be completed. HEEPS:ABS funding is expected to continue in its current format until March 2017, and Changeworks manages the delivery of these projects on behalf of the Council under the SLA. The development of the investment

programme required to ensure Council homes meet the EESSH is under development with support from Changeworks Consultancy team.

Measures of success

- 4.1 Success will be measured by the number of tenants supported through in-depth advice and support, and the carbon emissions reduction and financial savings delivered by technical and fuel poverty projects. External funding secured by Changeworks, which adds additional value to the SLA for the Council, is included in the monitoring process.

Financial impact

- 5.1 The Housing Revenue Account can accommodate the existing funding level of £140,000 per year. Negotiations will take place with Changeworks to secure a saving of up to 10% on the delivery of the SLA in 2016/17. All efforts will be made not to reduce the level of front line service delivery to tenants.
- 5.2 It is projected that some savings will be made in 2015/16 and these will be reported to Committee in 2016.

Risk, policy, compliance and governance impact

- 6.1 The Changeworks SLA is monitored with quarterly progress meetings on targets and outcomes. This includes a breakdown of referrals to existing schemes such as benefits checks, subsidies for heating or insulation, tariff and debt advice and other services. Priorities are set in line with City Housing Strategy objectives.
- 6.2 The SLA also provides for Changeworks to manage programmes funded by the Scottish Government's HEEPS:ABS funding. This support is vital to deliver mixed tenure insulation projects across the city for the future years that HEEPS:ABS funding is expected to be available. Scottish Government guidance for HEEPS:ABS specifically requests that local authorities work with their Home Energy Scotland advice centre, which is run by Changeworks for south-east Scotland.
- 6.3 Following review it is proposed to waive the Council's Contract Standing Orders on the basis that:
- The current arrangement offers value for money.
 - Consultation with Edinburgh Tenants Federation and feedback from tenants has shown energy efficiency and fuel poverty to be an investment priority.
 - The range of expertise offered is uniquely placed to provide objective support towards the development of energy specific elements of housing strategy, investment and advice.
- 6.4 If a waiver is not approved, it is recommended that the SLA is extended for a year to allow a procurement exercise to take place. This reflects the time period

required for co-production of the scope. It is anticipated that a new contract could not commence until April 2017 at the earliest.

- 6.5 There is some risk of challenge from organisations providing energy related services should a decision be taken to maintain the current arrangements. However the current assessment of that risk is low. No other energy service provider has to date challenged the current SLA arrangements and the overall financial value is relatively low.

Equalities impact

- 7.1 Continuation of these services will contribute to the Scottish Government Fuel Poverty 2016 target, and could help improve health and reduce excess winter deaths.
- 7.2 The current arrangement means that cost-effective services are in place to target the lowest income areas of the city, to address fuel poverty, save money and improve residents' health and wellbeing. To meet current demand, increasing services to tackle fuel poverty through advice will be considered a priority.

Sustainability impact

- 8.1 Continuing energy efficiency and fuel poverty support to the Council has a positive impact on sustainability, as projects taken forward through the SLA for Housing contribute to reducing carbon emissions.

Consultation and engagement

- 9.1 Consultation on energy advice services and energy efficiency projects has been carried out with Edinburgh Tenants' Federation, and the issues highlighted through the Tenants' Survey, Tenants' Panel discussions and the annual rent consultation. The Housing Service will continue to identify opportunities for partnership working to benefit tenants in the areas of energy efficiency, fuel poverty, waste and recycling.

Background reading/external references

[Extension of Service Level Agreement for Changeworks Resources for Life](#) report Finance and Resources Committee, 3 February 2015

John Bury

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Links

Coalition pledges	<p>P8 Make sure the city's people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites</p> <p>P44 Prioritise keeping our streets clean and attractive</p> <p>P49 Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill</p> <p>P50 Meet greenhouse gas targets, including the national target of 42% by 2020</p> <p>P53 Encourage the development of Community Energy Co-operatives</p>
Council outcomes	<p>CO4 Our children and young people are physically and emotionally healthy</p> <p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p> <p>CO10 Improved health and reduced inequalities</p> <p>CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood</p> <p>CO17 Clean - Edinburgh's streets and open spaces are clean and free of litter and graffiti</p> <p>CO18 Green - We reduce the local environmental impact of our consumption and production</p> <p>CO19 Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm</p> <p>CO25 The Council has efficient and effective services that deliver on objectives</p>
Single Outcome Agreement	<p>SOA2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SOA3 Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>SOA4 Edinburgh's communities are safer and have improved physical and social fabric</p>
Appendices	<p>1. Breakdown of energy services provided</p>

Appendix 1: Breakdown of Energy Services Provided

Changeworks SLA	Pledge/ SOA/ Outcome
Housing	
Affordable warmth advice and in-depth support to 220 tenants, includes appointments and events	<p>SOA 2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>SOA 3 Edinburgh's children and young people enjoy their childhood and fulfil their potential</p> <p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p>
Staff training - includes Energy Policy Briefing for staff	<p>CO27 The Council supports, invests in and develops our people</p> <p>CO25 The Council has efficient and effective services that deliver on objectives</p>
Fuel poverty consultancy - Mapping and analysis - Healthy homes - Research, communications and behaviour change support	<p>CO6 Our children's and young people's outcomes are not undermined by poverty and inequality</p> <p>CO10 Improved health and reduced inequalities</p> <p>SOA 2 Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p>
Technical consultancy - Building stock analysis - Technology analysis - Project evaluation - Energy Efficiency Standards for Social Housing - Home Energy Efficiency Programmes for Scotland: Area Based Schemes	<p>P50 - Meet greenhouse gas targets, including the national target of 42% by 2020</p> <p>P53 Encourage the development of Community Energy Co-operatives</p> <p>CO19 Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm</p> <p>CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood</p> <p>SOA4 Edinburgh's communities are safer and have improved physical and social fabric</p> <p>CO18 Green - We reduce the local environmental impact of our consumption and production</p>

**Support
development of
housing strategy**

P50 - Meet greenhouse gas targets, including the national target of 42% by 2020

CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed Neighbourhood

SOA4 Edinburgh's communities are safer and have improved physical and social fabric