

Leicester  
City Council

**WARDS AFFECTED**  
All Wards

**CABINET**

**14<sup>th</sup> FEBRUARY 2005**

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**ENERGY SERVICES**

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**Report of the Corporate Director of Housing**

**1. PURPOSE OF REPORT**

- 1.1 This report advises Cabinet of the outcome of consultation with Members on the Housing, Strategic Planning and Regeneration, REOPPS and the Leisure and Environment Scrutiny Committees, and seeks approval on the way forward for Energy Services in the City.

**2. SUMMARY AND RECOMMENDATIONS**

- 2.1 Following a decision by Council in February 2004 the Energy function in Regeneration and Culture was transferred to Housing from June 2004 following a Protocol Review. However, further organisational change was suspended until such time as officers had a clear picture of what Members wanted from their Energy Services in the Council. As part of this process a position statement report 'Future Profile of the City Council's Energy Services' was presented to the Housing, Strategic Planning and Regeneration, REOPPS and the Leisure and Environment Scrutiny Committees and their views sought.
- 2.2 The outcome of this consultation is contained within the body of the Supporting Information to this report.
- 2.3 **Cabinet** is asked to consider the report and to advise on the following:-
- (i) That an organizational review should be undertaken to bring all staff associated with Energy Services together and a new post(s) created with specific responsibility for identifying opportunities available at a Regional, National and International level;
  - (ii) Whether it wishes to continue to operate a dedicated shop front for Energy Services in the Council and whether the current location is appropriate or whether alternative sites should be explored;

- (iii) That a comprehensive marketing strategy be developed to highlight the work of the Energy Service in the City and beyond, and the opportunities available through the shop for citizens to access high quality advice and energy efficient goods at competitive prices. This could include a re-launch of the shop facility either in its current or new location, new product lines, revised opening times and more internet access;
- (iv) Given the requirements of the Energy Efficiency Directive, which comes into force in January 2006, where all public buildings have to be certificated for their use of energy and water, that officers consider how best the Energy agenda can be moved forward so that the Council complies and opportunities to reduce costs and reinvest savings can be maximized;
- (v) Whether the Council should seek to continue to hold the position of Vice President of Energie-Cities (the Council has held this position since 1997);
- (vi) That the Corporate Director Board sets up a mechanism to review the role of the Sustainable City Officers' Group (SCOG) and other environmental management groups, e.g. EMAS, in consultation with the Leader of the Council, to make sure they meet the strategic needs of the Council;
- (vii) That staff should continue to explore the options available for creating an ESCO which limits the liability on the Council; and
- (viii) That the Council continues to support the Leicester Energy Agency, who should act as an advisory body to the Council, but any proposals from the Agency that effect the Council must be agreed by Cabinet, or the Corporate Director of Housing in consultation with the Cabinet Member for Housing, before being implemented. The Corporate Director of Housing be given authority to negotiate an agreement between the Council, De Montfort University and the Leicester Energy Agency to formalise this arrangement and the Head of Legal Services be delegated authority to sign the agreement on behalf of the Council.

### **3. FINANCIAL IMPLICATIONS (Danny McGrath)**

- 3.1 The report seeks advice from Members on how they want to move the Energy agenda forward. Depending on the decisions taken there could be financial implication attached, e.g. moving the Energy Shop to a new location, development of an ESCO, etc. In these circumstances, before any final decision is taken, unless they are operational issues, a further report will be brought to Cabinet for approval.
- 3.2 Other recommendations e.g. developing a comprehensive Marketing Strategy, carrying out an organisational review etc., will be contained within the Department's approved budgets.

### **4. LEGAL COMMENTS (Peter Nicholls)**

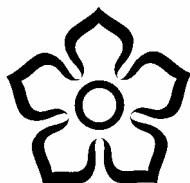
- 4.1 The Energy Agency is, in effect, a consultative partnership board, which was established to comply with requirements of a partnership agreement made between the City Council and De Montfort University in 1996. The agreement has expired, but the

Energy Agency has continued. The Agency is not a separate decision making body. The original agreement made it absolutely clear that it is no way intended to create any legal identity separate to the legal identity of the City Council and De Montfort University. The Agency cannot enter in to contracts in its own name, nor can it employ staff etc.

5. **Report Author -**  
Dave Pate – Ext. 6801

**DECISION STATUS**

<b>Key Decision</b>	Yes
<b>Reason</b>	Significant in terms of its Effect on communities Living or working in any One ward of the city
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Cabinet



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**ENERGY SERVICES**

**SUPPORTING INFORMATION**

**1. BACKGROUND**

- 1.1 In February 2004 Council agreed to transfer the Energy Team in Regeneration and Culture to Housing or RAD and save £80k, as part of the budget setting process for 2004/5. In June 2004 Cabinet endorsed Phase one of the review, which transferred the R & C Energy service to Housing and delivered the budget savings required.
- 1.2 Before embarking on Phase 2, officers prepared a report for discussion with Members to identify what sort of service they wanted and which direction the service should follow in the future. This report was presented at the Strategic Planning and Regeneration, REOPPS, Leisure and Environment and Housing Scrutiny Committee's. In total, 29 Councillor's were given the opportunity to express a view on the report as part of the consultation process. The resolutions passed by the various Scrutiny Committees is attached at Appendix 1 for Cabinet's information

**2. WAY FORWARD**

- 2.1 The consultation exercise proved very useful, as, in a lot of areas, there was cross party support on the way forward.
- 2.2 The areas highlighted and recommendations on the way forward are shown in the table below:

	<b>ISSUE</b>	<b>WAY FORWARD</b>	<b>Comments</b>
1	Should the Council operate an Energy Shop?	Yes	Although, if possible, a more central location should be found, subject to the agreement of partner organizations.
2	Should a more		This work should be given a

	comprehensive marketing strategy by launched to highlight the shop and raise people's awareness of energy issues?	Yes	high priority within the work of the Housing Marketing and Communications Section's work programme
3	Should Regional, National and International work be given a high priority in any new organizational structure?	Yes	A dedicated post(s) should be created to look for opportunities and to promote Leicester's work in this field. This/these posts should be self-financing.
4	How does the Council respond to the requirements of the Energy Efficiency Directive when it comes into force in January 2006?	Work has already started, under the European Display Project, and public buildings are already in the process of being assessed.	This presents the Council with an opportunity to highlight and tackle energy inefficient buildings, but it will take up front investment.
5	Should the Council seek to continue to hold the post of Vice President of Energie-Cities?	Yes	This is a prestigious post and helps to keep Leicester in the eye of Government, European and International partners, and at the forefront of Energy initiatives.
6	Are the current arrangements e.g. SCOG, EMAS etc still appropriate as the vehicles for monitoring and debating the Council's response to Environmental Issues?	?	The current arrangements have been in place for a number of years, during which time the whole area of, and Government and Council response to, Environmental issues, has moved on. The aims, purpose and focus of these groups should be reviewed.
7	Should the Council continue to explore developing an ESCO?	Yes	But any proposal should ensure that the Council does not bear unreasonable risk.
8	Should the Council continue to support the Leicester Energy Agency?	Yes	There was universal support, among Members, for the work of the Agency. However, it is felt that the Council is best served if the Agency acts as advisory and explores opportunities, otherwise not available to the Council, and any

			recommendations/suggestions are endorsed by Cabinet or the Corporate Director of Housing, in consultation with the Cabinet Member for Housing, in the normal way.
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### 3. **OTHER IMPLICATIONS**

	Yes/No	
Equal Opportunities	yes	Para 2.2
Policy	Yes	Para 2.2
Sustainable & Environmental	Yes	Para 2.2
Crime & Disorder	No	
Human Rights Act	No	

### 4. **AIMS AND OBJECTIVES OF THE HOUSING DEPARTMENT**

- 5.1 This report meets the Committee's overall Quality of Life Aim for the Department 'A decent home within the reach of every citizen of Leicester', and within that Key Objective 1 - To improve the condition of Leicester's housing stock and resolve unfitness in all sectors.
- 5.2 It also supports the city Council's aims and objectives on Climate Change Policy, Air Quality and the Environmental Strategy, as well as positioning the Council to meet the challenge of the EU Directive on energy efficiency in public buildings.

### 5. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

#### 5.1 **Background Papers**

- a) Report to Strategic Planning and Regeneration Scrutiny Committee 10/11/04 on Future Profile of the City Council's Energy Services
- b) Report to Resources & Equal Opportunities Scrutiny Committee 11<sup>th</sup> November 2004 on Future Profile of the City Council's Energy Services
- c) Report to Leisure & Environment Scrutiny Committee 1<sup>st</sup> December 2004\_on Future Profile of the City Council's Energy Services
- d) Report to Housing Scrutiny Committee 9<sup>th</sup> December 2004\_on Future Profile of the City Council's Energy Services

6. **CONSULTATION**

6.1 The Chair of the Leicester Energy Agency has been consulted in the preparation of this report, as has the Corporate Director of Regeneration and Culture.

7. **Report Author -**  
Dave Pate – Ext. 6801

**COMMENTS FROM THE SCRUTINY COMMITTEE'S**

**Strategic Planning and Regeneration Scrutiny Committee 10/11/04 – Minute 51**

Councillor Kitterick proposed the following resolution, it was not seconded: -

- “i) that the work of the Leicester Energy Agency be commended and that Cabinet be urged to continue support to the Agency.
- ii) that the Corporate Director of Housing be asked to look at savings regarding the Energy Centre.
- iii) that Resources and Equal Opportunities Scrutiny Committee be asked to look into the financing issues of the Leicester Energy Agency.”

Councillor Farmer proposed the following resolution, seconded by Councillor O'Brien

- i) Reconfigure the work of the Leicester Energy Agency.
- ii) Review the International work and the non-Leicester work undertaken by the Agency.
- iii) Review the shop front at the Energy Advice Centre.
- iv) Re-invest in the following: -
  - Citywide advice service provided through City Council services and the 'green doctor scheme.'
  - Invest in the Home Insulation Scheme.
  - Establish a dedicated external funding team
  - Leicester Energy Agency be re-established as a legally formed body.”

Officers reported that a Beacon Status Bid had been submitted relating to Energy Efficiency and, should the resolution, as proposed and seconded be agreed, it was likely that the City Council would have to withdraw the bid on the grounds that the terms of the original bid could no longer be met.

The Committee expressed a view that they did not have sufficient information available to enable viable comments on the future direction of energy services to be formulated.



**RESOLVED:**

- 1) that the report be referred to Cabinet together with the comments of the Scrutiny Committee.
- 2) that the comments of the Scrutiny Committee be forwarded to the Resources and Equal Opportunities Scrutiny Committee.
- 3) that the officers look into the inclusion of ' Energy Implications' on all future Cabinet and Scrutiny reports.

**Resources & Equal Opportunities Scrutiny Committee 11<sup>th</sup> November 2004 – Minute 64**

**RESOLVED:**

That the Committee recommend to Cabinet:

- 1) That the Council continue to support the work done by the Energy Agency and recognise the good value it represents with match funding;
- 2) That responsibility for all energy functions be transferred to the Regeneration and Culture Department;
- 3) That a better shop front be found for the service;
- 4) That the benefit that participation on the Regional, National and International stage brings be applauded and that Cabinet recognise that our good reputation as a city is in a large part due to the excellent work done by the Energy Agency and officers;
- 5) That Cabinet reject the need for a review;
- 6) That Cabinet bring forward plans for the Energy Highway as soon as possible;
- 7) That the £80,000 required savings come from increased revenue;
- 8) That the possibility of independent status for the Energy Agency be explored.

**Leisure & Environment Scrutiny Committee 1<sup>st</sup> December 2004 – Minute 43**

**RESOLVED:**

Councillor Vincent moved the following revised resolutions, which were seconded by Councillor J. Blackmore and supported by the Committee: -

- 1) the Committee endorses the excellent work of the Leicester Energy Agency.
- 2) the Committee recognises the environmental impact that the Leicester Energy Agency has achieved.
- 3) that the legal status of the Leicester Energy Agency Board be defined.
- 4) that the work of the Leicester Energy Agency, locally, regionally, nationally and internationally be commended and encouraged.
- 5) that the development of an Energy Saving Company (ESCo) and the Combined Heat and Power (CHP) District Heating Network be made a regeneration priority.

**Housing Scrutiny Committee 9<sup>th</sup> December 2004 – Minute 59**

**RESOLVED:**

- 1) that the comments of the Housing Scrutiny Committee on the future shape of Energy Services in the City Council be passed on to Cabinet, to include the three motions moved at the Committee:
  - a) that the work of the Leicester Energy Agency be supported;
  - b) that the Leicester Energy Agency be re-established; and
  - c) that the Agency be given a more prominent 'shop front'.