

## Think Councillor – ETL Select Committee – Green Deal

Member(s):	ETL Select Committee
Date:	5 <sup>th</sup> August 2013
Project Briefing:	Green Deal
Issues:	<b>Further information on BCC's involvement with Green Deal and the creation of Green Deal Together Community Interest Company</b>

### The Green Deal – The National Perspective

The Green Deal is a Government flagship programme which aims to tackle the energy efficiency of British properties and is a key measure in the Energy Bill. The Government's rationale for the Green Deal is to address barriers to uptake of energy efficiency improvements; uncertainty over what measures to implement and which organisations to trust, as well as access to finance.

The Green Deal provides a framework to enable consumers to access finance to install energy efficiency measures to their homes, community spaces and commercial premises at no upfront cost. Payments for energy efficiency measures would be recouped through consumers' energy bills which will follow the 'golden rule', that is 'the expected financial savings must be equal to or greater than the costs'. The framework involves an innovative financing mechanism that allows any financial obligation to stay with the property rather than the consumer. The Green Deal Finance Company (TGDFC) is a non-for-profit consortia headed by Price Waterhouse-Copper, designed to be a national aggregator to make finance available for Green Deal Providers in order to be make Green Deal finance plans available for consumers.

The Green Deal process involves:

- Completion of a **Green Deal Advice Report** by an accredited assessor
- A choice by the consumer to take the report to any **Green Deal Provider** who will develop a package measures and obtain quotes from **Green Deal Installers**
- A decision by the consumer about whether they want to **self-finance or choose Green Deal finance**
- At this point the Green Deal Provider will also check to see if the consumer is eligible for additional funding through **ECO (Energy Company Obligation)** and secure Green Deal finance
- Installation of agreed measures by **accredited Green Deal installers** overseen by the Green Deal Provider
- Repayment for the finance is through the electricity bill and the **Energy Performance Certificate** for the property will be updated

### Green Deal – Role of Local Authorities

The Department for Energy and Climate Change (DECC) has repeatedly emphasised the role of local authorities in delivering the Green Deal locally and the economic benefits which can be achieved alongside improved energy performance. Indeed a new £20 million Green Deal Communities scheme to help local authorities drive street by street delivery of the Green Deal has just been announced. Under new proposals from the Department of Energy and Climate Change, local authorities in England will be able

to bid for funding from a £20 million pot to help households benefit from the Green Deal, targeting streets and areas that could benefit the most

Green Deal is a twenty year programme and it is very early days with a long way still to go, but the statistics show that the market is starting to build. The supply chain is gearing up, with around 1,800 individuals approved to offer Green Deal assessments in over 200 assessor organisations, and around 1,250 accredited Green Deal installer organisations.

With respect to consumer demand over 38,000 households have already had a Green Deal assessment and recent research by DECC indicates that three quarters are taking or want to take action as a result. 47% of households said they either had or were getting energy saving measures installed following their assessment. Awareness of the Green Deal has doubled from November to May.

### **Green Deal opportunities in Buckinghamshire**

The Green Deal has the potential to lever significant value to the Buckinghamshire economy. Without support for local businesses, there is a risk that large PLCs, utilities and major retailers registered as Green Deal Providers may marginalise the smaller independent local assessors/installers, such as plumbers, heating engineers, building repairers based in Buckinghamshire and the wider Thames Valley. Therefore, it is important that the opportunities for local employment, training and skills development and local economic growth are recognised and capitalised on. Indeed, a report by Ngage for Buckinghamshire County Council identified that there are opportunities to gain additional value from the Green Deal for Buckinghamshire's economy through delivering actions that stimulate jobs in the local economy. Indeed it highlighted the opportunity to grow the number of accredited local assessors and installers.

Different delivery models for Green Deal within Buckinghamshire were investigated, with the consortium approach via a Community Interest Company option presented to the Cabinet Member for Environment and agreed as a [key decision](#) on the 14/2/2013. The key decision report highlight the potential local economic development opportunities that this approach could provide. The decision was taken to proceed in principle, subject to sign off by BCC Legal and Finance. This authorisation has subsequently taken place and BCC is now a shareholder of Green Deal Together (Community interest Company).

### **Green Deal Together Community Interest Company (GDT) and BCC**

The company was registered on 1 February 2013. During February and May a share offer was made to Local Authorities with 15<sup>1</sup> founding shareholders taking up the offer. The vision is to be the local Green Deal provider that benefits the whole of the community with the aim of being good for consumers, good for local installers and good for the community at large. The objectives are to establish a local installer network and provide cost effective Green Deal Plans for consumers. GDT is an asset-locked organisation and a proportion of the profit generated will be distributed to local schemes that help tackle climate change and fuel poverty.

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<sup>1</sup> The 15 GDT shareholders are; Aylesbury Vale DC, Buckinghamshire CC, Cherwell DC, Chiltern DC, Cotswold DC, London Borough of Ealing, Milton Keynes Council, South Bucks DC, Three Rivers DC, South Oxfordshire DC & Vale of White Horse DC (1 shareholding), Watford Borough Council, West Berkshire Council, West Oxfordshire DC, Wycombe DC and National Energy Foundation.

As a shareholder, BCC has representation on the Board of Directors and also on the Executive Committee. BCC's interest in Green Deal Together is focused on generating a local supply chain that benefits from additional work generated by promotion of Green Deal, as well as encouraging demand in the non-domestic (commercial properties) market for energy efficiency. The Green Deal process for non-domestic properties is anticipated to be finalised towards the end of 2013. The District Councils in Buckinghamshire focus on the domestic market.

Becoming a Provider involves completing a number of legal and regulatory processes, with Directors supporting the Management where possible. The next milestone for GDT will be achieving Green Deal Provider status, which is anticipated end of August 2013, and this will allow them to complete other regulatory actions in order to launch as a Green Deal Provider to customers in Autumn.

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