

## Record of Decision taken by Executive Councillor

**Decision title:** Approval to enter into agreement with EON Energy Solutions Ltd in the form of a Memorandum Of Understanding (MOU) to work together to define an energy efficiency scheme to be delivered under the Energy Company Obligation 4 (ECO4), providing the installation of qualifying energy efficiency measures to housing stock within the region of Somerset Council. Additionally to enter into a JCT Measured Terms Contract with JJ Crump for the delivery of the works under the scheme.

**Executive Councillor making the decision:** Councillor Fran Smith (Portfolio Holder for Housing)

**Author Contact Details:** Chris Brown, Assistant Director Development & Regeneration

**Date of Decision:**

### Details of decision:

The ECO4 schemes provides SWT with an opportunity to improve the energy efficiency of housing stock for council and private residents in Somerset. The Council's c5,700 homes are estimated to account for nearly one third of the Council's own carbon footprint.

The Energy Company Obligation (ECO4) will run until 31st March 2026. The obligation will see around £1bn spent each year, for the four years, on whole house retrofit for homes that are the most energy inefficient which are also in fuel poverty. This gives SWT the opportunity to identify residents in fuel poverty, on low incomes, or with health problems living in homes with the worst EPC ratings.

To take advantage of ECO4, SWT issued a call for expressions of interest (EOI) from Energy Companies via the Supplying the Southwest portal and Contracts Finder on 7 July 2022, with a deadline for responses on 8 August 2022.

The EOI requested that Energy Companies make proposals for working with SWT under their Energy Company Obligation scheme. Responses were assessed based on their partnering potential for SWT and the level of funding they were offering towards the SWT scheme.

EON were the only Energy Company to submit a compliant EOI response and following evaluation of their offer, have been identified as a suitable partner. E.ON have delivered Energy Efficiency Measures for over 25 years and will commit to provide £20m of ECO funding to the project over a 4 year period. JJ Crump will be Eon's contractor carrying out the works.

There is no financial commitment required from SWT and the agreement will be in the form of a Memorandum of Understanding (MOU) that will set out the terms and conditions of co-operation. SWT will ensure (with the support of Shape) that all liabilities are held by the contractor carrying out any works under an associated JCT Measured Term Contract.

It is recommended SWT enter into the agreed MOU with EON and a JCT Measured Term Contract with JJ Crump.

**Reasons for proposed decision:**

This decision relates to a partnership with Eon for the use of their ECO funds for SWT homes. Therefore, this is not classified as a Key Decision and the contract value is nil.

The Leader of the Council can delegate the making of Executive Decisions to her Portfolio Holders or Officers as under Part 3 of the Constitution – Responsibility for Executive Functions - 3.1.5 – “The Leader shall determine how all executive powers shall be discharged. The Leader may: a) discharge any of those functions; or b) arrange for the discharge of any of those functions: i. by the Executive collectively, ii. by another member of the Executive, iii. by a committee of the Executive, or iv. by an officer of the Authority.”

**Alternative funding options sourced:**

N/A

<b>The below has been completed:</b>	<b>Name(s)</b>	<b>Date</b>
Relevant ward councillor(s) consulted		
<b>The following are if appropriate / applicable: Yes/No. If yes the implications should be attached to this decision notice.</b>		
Finance implications	No financial implications for SWT.	
Unitary Council and Assets and s24 Implications (Contracts and Land Disposals)	Consent not required.	
Legal implications	An MOU will be entered into with EON, ensuring relevant protections are in place for SWT in relation to warranties and liabilities for work undertaken by EON contractors.	
Links to corporate aims	<p>In 2019 the Council declared a climate emergency and committed to working towards carbon neutrality and climate resilience by 2030.</p> <p>Maximising affordable housing remains a corporate objective. Retaining and improving existing stock supports this objective.</p>	

Climate and Sustainability implications	Supports Carbon Neutrality and Climate Resilience Plan which includes ambitions in relation to new build council homes and the retrofit of existing council homes	
Community Safety Implications	N/A	
Equalities Impact Safeguarding Implications	An Equality impact assessment has been carried out on the Council's low carbon retrofit strategy and this initiative supports the delivery of the strategy.	
Risk management	A fully transparent process has been undertaken to appoint the Energy Company.  The MOU and contract with JJ Crump will be reviewed by Shape legal before signing.	
Partnership implications	SWT has agreed the terms of working with Eon through an MOU.  The MOU sets out high level principles of how the two organisations will collaborate to deliver a successful programme of work.	

**Any conflicts of interest declared by Leader or Executive Members consulted on the proposed decision. If Yes provide confirmation from Chief Executive to grant dispensation for the Leader's / Executive Member's views to be considered.**

None.

### **Decision Maker**

**I am aware of the details of this decision(s), considered the reasons, options, representations and consultation responses and give my approval / agreement to its implementation.**



**Signed:**

**Name: Cllr Fran Smith**

**Date: 17 January 2023**

Note – This decision record is for decisions taken by Executive Councillors. The decision(s) can be implemented following publication and the period for any call-in has expired.

**Note:** A copy should also be sent to the Governance Team –  
[governance@somersetwestandtaunton.gov.uk](mailto:governance@somersetwestandtaunton.gov.uk)