

‘Closer to home’ – summary of recommendations

1. The UK government should give local authorities in England responsibility for overseeing the delivery of home energy retrofits to low-income and fuel-poor households, as is already the case in Scotland. Councils should be free to choose the methods through which they and their partners meet this responsibility.
2. The UK government should raise funds for the new delivery arrangements by introducing a fixed levy per kWh of gas and electricity supplied to all domestic consumers (including those of smaller energy companies) in Britain. This should partially or fully replace the current ECO so that consumers should not notice any difference with respect to impact of the levy on their energy bills. Funds raised should be allocated on a proportionate basis to England, Scotland and Wales.
3. The UK government should direct the bulk of the ‘English share’ of funds towards a local delivery framework, with the remainder going towards a national support scheme for households in need and who are not likely to get support from local schemes. It should also introduce a statutory duty on English local authorities to tackle fuel poverty.
4. The Scottish and Welsh governments should allocate a proportion of their respective funds to their existing local and national support schemes, namely HEEP in Scotland and the Arbed and NEST schemes in Wales. A Britain-wide local delivery framework could potentially facilitate more cohesive arrangements for delivery in the two countries, in that levy funds could be used to expand existing national government schemes rather than attempt to integrate such schemes with ECO, as is currently the case.
5. The Scottish government should build upon the existing concordat between the government and local authorities to oversee an expanded local delivery framework. This may involve a greater proportion of funds going to the current competitive element within its area-based schemes.
6. The Welsh government should build upon its existing arrangements for administering the Arbed area schemes, but should explore ways to encourage greater local authority involvement in the delivery of an expanded local delivery framework.
7. The UK government should initially allocate the bulk of the local delivery funds automatically to English local authorities, based on need, for example, extent of fuel poverty, hard-to-treat homes and rurality. It should allocate the remainder via a competition open to all interested organisations to foster improved delivery practice and efficiency. This will enable RSLs, community organisations and other contractors to participate in locally led delivery without having to go through local authorities. The UK government should reduce the automatic allocation, and correspondingly increase the competitive allocation of funds over time.
8. The UK government should appoint an existing body to oversee the local delivery framework, advise on the appropriate split between automatic allocation and competition, check progress, monitor compliance and provide support and guidance to local authorities in England. The Welsh and Scottish governments should review whether their current arrangements provide the support required to local authorities, particularly those not playing a very active role.

9. The UK government should set a sufficiently long time frame, such as five years, for the local delivery framework. This will help local authorities build up the skills and capacity to oversee the new arrangements. Lack of skills and capacity is particularly acute in the areas of procurement, housing stock and household needs assessment and working up funding bids .
10. The UK government should not make the meeting of multiple objectives, such as reducing health inequalities or creating jobs, a condition of receipt of local funds. However, it should encourage and provide guidance on how local programmes might lever in further funds from such sources as public health and regeneration. It should also encourage local authorities to help 'able-to-pay' consumers use Green Deal finance, feed-in tariffs and the RHI alongside locally delivered energy efficiency schemes.
11. The delivery oversight body (and equivalents in Scotland and Wales) should provide or procure nationally recognisable marketing campaigns and telephone and web-based advice services. Local generalist advice providers, such as Citizens Advice Bureaux, should provide advice to consumers on both local schemes and the national support programme, where appropriate.
12. Piloting of the local delivery framework should begin in April 2016, in parallel with the ECO for one year. Local authorities with 'ready-to-go' schemes should be encouraged to deploy their schemes while the delivery oversight body should provide support to other local authorities.
13. Quality assurance for local schemes will need to evolve from the system currently used for ECO, and formal quality assurance should be a condition of funding under the framework. This may require local authorities to procure the services of contractors accredited through a national accreditation scheme, with the delivery oversight body responsible for checking compliance.
14. While a local delivery framework may represent an improvement on current arrangements for tackling fuel poverty, the level of funding available for meeting the fuel poverty target from an ECO-equivalent levy still only represents only around a third of the resources required. Possible sources for the additional funds required include national infrastructure investment budgets, carbon tax revenues, fuel company fines, surpluses in companies' closed accounts and 'allowable solutions'.