
ENERGY EFFICIENCY RETROFIT SCHEME

Purpose of the Report

1. To provide background information to enable Members to carry out pre-decision scrutiny of the Energy Efficiency Retrofit Scheme of BSIF properties in Llandaff North and Rumney prior to Cabinet consideration on Thursday, 23rd March 2023.
2. As detailed in this report, and **Appendix A**, the planned Energy Efficiency Retrofit Scheme would involve mixed tenure properties. The proposed funding arrangements for the scheme are for the Welsh Government to provide a grant for the costings of the private properties within the scheme, with the council funding the works to their own housing stocks through the Housing Revenue Account.
3. A copy of the draft Cabinet Report is attached to this cover report at **Appendix A**.

Scope of Scrutiny

4. Committee Members are to note there are three aspects of the Cabinet Report:
 - I. To agree the approach to deliver mixed tenure energy efficiency retrofit scheme of BSIF properties in Llandaff North and Rumney *(252 properties in total – of which, 152 are private tenure and 100 council)*

- II. To approve the commissioning strategy and procurement model arrangement for the scheme
- III. Delegate the commencement of procurement for the scheme to the Director, Adults, Housing & Communities, in consultation with the Cabinet Member for Housing and Communities, Corporate Director Resources and Director of Governance and Legal Services.

5. During this scrutiny, Members have the opportunity to explore:

- Proposed management of the scheme
- Timeline for delivery
- Costings to the council
- Contingency arrangements for the Welsh Government grant
- Impact on residents whilst works are undertaken.

Background

6. The Welsh Government Warm Homes funding (commonly known as Arbed) is funded by the Welsh Government and managed by Arbed am Byth. The aim of the scheme is to install appropriate energy efficiency measures in properties across Wales, to help people who are struggling to effectively heat their home.

Point 6 of Appendix A provides insight into the work the council has already completed under the Arbed schemes.

7. As detailed in **Appendix A**, Cardiff has BISF (steel framed) properties in three areas - Careau, Llandaff North and Rumney. **Appendix A** advises the properties in Caerau have been improved using previous Arbed funding. Therefore, this Cabinet Report proposes to address the properties in the areas of Llandaff North and Rumney.

8. Previously, the council put forward a proposal under the Welsh Government's 'Arbed 3 scheme', proposing Welsh Government fund the private tenure homes (152) and Cardiff Council fund the Council homes (100) within a holistic mixed tenure scheme. However, the Welsh Government Arbed 3 scheme ended in November 2021 and a decision to proceed with the council's proposal was not agreed by this time.

9. However, as detailed in **point 14 of Appendix A**, since the closure of the 'Arbed 3 scheme' Cardiff Council has continued to work with the Welsh Government to develop a viable arrangement to address the BISF properties in Cardiff. Pursuing the Welsh Government to provide a grant to the council for the private tenure properties in the scheme, with the council funding the works to their own housing stock (through the Housing Revenue Account). Subsequently, an Agreement in Principle was issued by the Welsh Government in February 2022 to indicate their support for the scheme proposed. A detailed business case was presented to the Welsh Government in May 2022 and the council received a draft offer letter from the Welsh Government in January 2023.

10. In consideration of this proposed scheme, the areas Committee Members may wish to explore at the meeting can be found in the following points of **Appendix A**:
 - Costings of the works - **point 17**
 - Contingency arrangement with the Welsh Government (for their funding) - **points 18–19**
 - Detail on funding arrangement - **points 20–23**
 - Procurement proposals and management - **points 24-25**.
 - Indicative timelines - **points 27-30**.

Legal Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- i) Consider the information in this report, its appendices and the information presented at the meeting;
- ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter in time for its meeting on 23 March 2023; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

DAVINA FIORE

Director of Governance & Legal Services

14 March 2023