

Please read the accompanying guidance before completing the form.

This **Impact Assessment (IA)** toolkit, incorporates a range of legislative requirements that support effective decision making and ensure compliance with all relevant legislation.

Draft versions of the assessment should be watermarked as "Draft" and retained for completeness. However, only the final version will be made publicly available. Draft versions may be provided to regulators if appropriate. In line with Council policy IAs should be retained for 7 years.

Service Area	Housing	Head of Service	Simon Inkson	Director	Nigel Brinn	Portfolio Holder	Cllr James Evans
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Proposal	Re-Introduction of ECO 3 LA Flex grant scheme
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Outline Summary / Description of Proposal

This is a proposal to seek cabinet approval for adoption of an updated “statement of intent”, the signed governance document allowing delivery of the Energy Company Obligation, ECO 3 LA flex grant scheme in Powys. ECO 3 LA flex is a scheme by which energy companies invest funding to upgrade boilers and insulation measures in qualifying dwellings (identified by the proposed statement of intent) using grant agents selected by the housing service. The housing service intend to levy a charge on agents to cover council administrative costs associated with the process and to generate a sustainable income stream for the lifetime of the project. This will not be a council managed scheme and all activity regarding funding viability will be undertaken by agents who will be working at their own discretion but following national guidance issued by OFGEM.

The council had a scheme in operation between February 2018 and September 2018, during which in excess of 2,000 measures were installed and over £200,000 was collected by the council in income. Summary of measures installed and savings delivered to Powys residents provided in the following table.

Measure	Approximate Numbers	Approximate Cost	Approximate Value of Work Delivered
Oil Boilers	1450	£4,000	£5,800,000
LPG Boilers	200	£3,250	£650,000
Electric Storage Heaters	60	£3,250	£195,000
Mains Gas Boilers	25	£3,000	£75,000
Cavity Wall Insulation	350	£1,500	£525,000
Loft Insulation	80	£1,000	£80,000
External Wall Insulation	15	£10,000	£150,000
Internal Wall Insulation	5	£8,000	£40,000
Totals	2050 (some include multiple measures)		£7,515,000

However, the scheme was withdrawn following political pressure to better utilise local contractors and better regulate to whom grants were being offered. The revised proposal includes for more robust checks regarding client eligibility and allows for formal tendering of agents. Tender selection criteria will facilitate use of local labour and favour Powys based ECO providers and businesses.

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1. Version Control (services should consider the impact assessment early in the development process and continually evaluate)

Version	Author	Job Title	Date
1	Julian Preece	Private sector Housing Lead	5th Nov. 2018

2. Profile of savings delivery (if applicable)

2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
£40k+ via new income	£200,000+ in income				

3. Consultation requirements

Consultation Requirement	Consultation deadline/or justification for no consultation
No consultation required (please provide justification)	Consultation has been made on a voluntary basis with the Powys Plumbing Group, further consultation will occur following adoption with local business. The view of the Powys Plumbing Group fundamentally differ from the local authority: <i>"It's important that the council realise that there will always be a fundamental conflict of interest between their desire to get as many measures as possible completed under ECO3 and at the same time support the local plumbing & heating industry. The reality is that almost every central heating boiler and central heating system installed under the ECO3 scheme is one less that would have been installed, at some point over the next 5 to 10 years, by a local, Powys based, plumbing & heating company."</i> However, whilst this view may sustain a certain number of established plumbing businesses, it does NOT support establishing new or growth of existing plumbing or other building trades prepared to work directly for ECO providers. It does not support reduction of fuel poverty for residents living in poorly insulated properties in Powys. ECO3 scheme emphasis has moved from installation of boilers to delivery of insulation measures and Powys has amended the scheme to encourage use of local trades, thereby providing greater support for the Powys economy.

4. Impact on Other Service Areas

**Does the proposal have potential to impact on another service area? (Have you considered the implications on Health & Safety, Corporate Parenting and Data Protection?)
PLEASE ENSURE YOU INFORM / ENGAGE ANY AFFECTED SERVICE AREAS AT THE EARLIEST OPPORTUNITY**

Adoption of the scheme will likely increase enquiries for Trading Standards and general customer's services / call centre enquiries, as there will be a rise in consumer communication relating to canvassing activities and complaints. Engagement has been made with Trading Standards who have offered advice and suggestions to help mitigate its impact. Commercial services will also be assisting with tendering and production of any contracts developed as part of the scheme.

Additional controls will be implemented in an attempt to curtail some forms of canvassing which have potential to cause complaints. However a rise in complaints and enquires is still expected due to the nature of activities being undertaken.

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5. How does your proposal impact on the council's strategic vision?

Council Priority	How does the proposal impact on this priority?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
The Economy We will develop a vibrant economy	The adoption of the scheme will present business opportunities for local contractors who chose to engage with agents and offer additional revenue for other associated Powys business such as scaffolders and hoteliers. Residents in receipt of savings on heating & fuel bills will also have greater levels of disposable income they may use to provide a boost to the local economy. However, the provision of grants will naturally reduce the sales of measures locally by existing providers.	Good	Specifying use of local contractors by ECO agents will contribute to a more positive impact.	Good
Health and Care We will lead the way in effective, integrated rural health and care	Health & wellbeing in both the elderly & young will be improved via provision of affordable warmth within homes. There will also be an associated reduction in health effects associated with cold homes.	Good	Better targeted support to those in greatest need will contribute to a more positive impact.	Very Good
Learning and skills We will strengthen learning and skills	Students will suffer less ill health & be better placed to complete homework, given a more comfortable & 'warm' home environment from which to work.	Good	Better targeted support to homes with children in greatest need will contribute to a more positive impact.	Good
Residents and Communities We will support our residents and communities	Carbon emissions will be reduced from domestic property by upgrading homes with more efficient heating systems. Home energy efficiency will be improved via increased insulation & better use of technology such as heating controls. Services previously unavailable will be provided to communities, enabling residents to do more for themselves i.e. upgrading of heating systems.	Good	Better targeted support to those properties in greatest need (E, F & G EPC rated) will contribute to a more positive impact.	Very Good

Source of Outline Evidence to support judgements

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf (Page 57-62)

Powys County Council will also target households containing people with specific medical conditions, reflecting the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes.

6. How does your proposal impact on the Welsh Government's well-being goals?

Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
A prosperous Wales: An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	Opportunities offered by ECO flex may be exploited by the council to boost local trade and help deliver residents real savings on heating bills that may be recycled within the local Powys economy.	Good	Specifying use of local contractors by ECO agents will contribute to a more positive impact.	Good
A resilient Wales: A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	Adoption of ECO flex will improve efficiency of dwellings and help reduce climate change by lowering carbon emissions from domestic property. Income generate by the council will also offer a certain resilience to future budget cuts.	Good	Better targeted support to those properties in greatest need (E, F & G EPC rated) will contribute to a more positive impact.	Good

A healthier Wales: A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	Powys residents at risk of fuel poverty may benefit from heating & insulation upgrades, delivering affordable warmth, improving health & wellbeing for young, elderly & disabled residents alike.	Good	Better targeted support to those in greatest need will contribute to a more positive impact.	Good
Public Health (Wales) Act, 2017: Part 6 of the Act requires for public bodies to undertake a health impact assessment to assess the likely effect of a proposed action or decision on the physical or mental health of the people of Wales.	ECO flex will support people in the community to live fulfilled lives, providing greater levels of disposable income.	Good	Better targeted support to those in greatest need will contribute to a more positive impact.	Good
A Wales of cohesive communities: Attractive, viable, safe and well-connected Communities.	Carbon emissions will be reduced from domestic properties by improving the energy efficiency of buildings.	Good	Better targeted support to those properties in greatest need (E, F & G EPC rated) will contribute to a more positive impact.	Good
A globally responsible Wales: A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being. Human Rights - is about being proactive (see guidance) UN Convention on the Rights of the Child: The Convention gives rights to everyone under the age of 18, which include the right to be treated fairly and to be protected from discrimination; that organisations act for the best interest of the child; the right to life, survival and development; and the right to be heard.				
A Wales of vibrant culture and thriving Welsh language: A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.				
<i>Opportunities for persons to use the Welsh language, and treating the Welsh language no less favourable than the English language</i>	It is anticipated most canvassers will be English speaking with limited provision for communication via the medium of Welsh.	Poor	Provision will be made available to clients who wish to communicate via the medium of Welsh upon request.	Neutral

<i>Opportunities to promote the Welsh language</i>	No impact expected.	Neutral	N/A	Neutral
<i>Welsh Language impact on staff</i>	No impact expected.	Neutral	N/A	Neutral
<i>People are encouraged to do sport, art and recreation.</i>	No impact expected.	Neutral	N/A	Neutral
A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).				
<i>Age</i>	Both the very young & elderly will have a greater chance of eligibility for grant under new OFGEM rules based on increased risks to health.	Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact.	Good
<i>Disability</i>	Disabled people are more likely to have a lower income. Disabled people are on average more often vulnerable.	Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact.	Good
<i>Gender reassignment</i>	Will not directly affect chances of residents receiving grant assistance under the scheme.	Neutral	N/A	Neutral
<i>Marriage or civil partnership</i>	Will not directly affect chances of residents receiving grant assistance under the scheme.	Neutral	N/A	Neutral
<i>Race</i>	Will not directly affect chances of residents receiving grant assistance under the scheme.	Neutral	N/A	Neutral
<i>Religion or belief</i>	Will not directly affect chances of residents receiving grant assistance under the scheme.	Neutral	N/A	Neutral
<i>Sex</i>	Will not directly affect chances of residents receiving grant assistance under the scheme.	Neutral	N/A	Neutral
<i>Sexual Orientation</i>	Will not directly affect chances of residents receiving grant assistance under the scheme.	Neutral	N/A	Neutral
<i>Pregnancy and Maternity</i>	Residents with children will have an increased chance of eligibility for grant under OFGEM criteria based on increased risks to health.	Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact.	Good

Source of Outline Evidence to support judgements

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf (Page 57-62)

Powys County Council will also target households containing people with specific medical conditions, reflecting the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes.

7. How does your proposal impact on the council's other key guiding principles?

Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
Sustainable Development Principle (5 ways of working)				
Long Term: Looking to the long term so that we do not compromise the ability of future generations to meet their own needs.	The scheme facilitates replacement of inefficient heating appliances and installation of energy efficiency measures such as insulation, reducing carbon emissions from domestic property. This in turn makes buildings more energy efficient and reduces likelihood of residents suffering from fuel poverty.	Very Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact.	Very Good
Collaboration: Working with others in a collaborative way to find shared sustainable solutions.	The scheme does not require council funding and is 100% funded via external sources. Agents source funding and undertake installation of grant funded measures. This helps deliver council objectives, working collaboratively, utilising external funding, while simultaneously reducing carbon emissions and reducing fuel poverty.	Very Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact. Specifying use of local contractors by ECO agents will also contribute to a more positive impact on the Powys local economy.	Very Good
Involvement (including Communication and Engagement): Involving a diversity of the population in the decisions that affect them.	The council has consulted with the Powys Plumbing Group who raised concerns regarding impact on the local plumbing industry.	Poor	Specifying use of local contractors by ECO agents will contribute to a more positive impact on the local economy and should mitigate concerns.	Neutral
Prevention: Understanding the root causes of issues to prevent them from occurring.	The scheme has the ability to generate income and address fuel poverty at no expense to the council. The council can make minor changes to appease critics but are not in control of scheme mechanics or operation.	Very Good	Specifying use of local contractors by ECO agents will contribute to a more positive impact on the local economy. Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact.	Very Good
Integration: Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.	ECO Flex takes an integrated approach to delivery of energy efficiency measures within dwellings. Consequently, it contributes towards many well-being goals, particularly a resilient, healthier, cohesive, globally responsible and prosperous Wales.	Very Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact. Specifying use of local contractors by ECO agents will also contribute to a more positive impact on the Powys local economy.	Very Good

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Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
Preventing Poverty: Prevention, including helping people into work and mitigating the impact of poverty.	Grants will be available for persons in fuel poverty but restricted those in larger homes due to OFGEM funding criteria.	Good	Better targeted support to those individuals in greatest need living in poorly insulated properties (E, F & G EPC rated) will contribute to a more positive impact.	Very Good
Unpaid Carers: Ensuring that unpaid carers views are sought and taken into account	No impact expected.	Neutral	N/A	Neutral
Safeguarding: Preventing and responding to abuse and neglect of children, young people and adults with health and social care needs who can't protect themselves.	No impact expected.	Neutral	N/A	Neutral
Impact on Powys County Council Workforce	The impact of ECO flex being unavailable in Powys will place additional pressure on statutory services provided by the Council.	Poor	The service in question is prepaid to absorb the extra work as it is compensated by income generated to subside activities	Neutral
Source of Outline Evidence to support judgements				
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf (Page 57-62) Powys County Council will also target households containing people with specific medical conditions, reflecting the National Institute for Health and Care Excellence (NICE) 2015 guidance on excess winter deaths and illness caused by cold homes.				

8. What is the impact of this proposal on our communities?

Severity of Impact on Communities	Scale of impact	Overall Impact
Low	Low	Low
Mitigation		

The council will not be actively involved in delivery of the scheme and will only take a minor administrative role. 1-2 members of staff will need to be seconded away from other duties to assist in operation of the scheme. Impact on communities will be positive regarding reducing carbon emissions from domestic housing and reducing likelihood of residents suffering from fuel poverty. It will also positively impact the local economy providing ECO agents make use of local contractors to undertake installation measures. Impact on communities could be negative regarding existing established business should ECO funding providers take away local trade. Mitigation: Specifying ECO agents use local contractors will contribute to a more positive impact on the local economy.

9. How likely are you to successfully implement the proposed change?

Impact on Service / Council	Risk to delivery of the proposal	Inherent Risk
Low	Low	Low
Mitigation		
All risks identified can be absorbed by the housing services with a negligible impact		

Risk Identified	Inherent Risk Rating	Mitigation	Residual Risk Rating
Any risk to be absorbed by housing services with minimal impact	Low	N/A	Low
	Choose an item.		Choose an item.
	Choose an item.		Choose an item.
Overall judgement (to be included in project risk register)			
Very High Risk	High Risk	Medium Risk	Low Risk
			Low Risk

10. Overall Summary and Judgement of this Impact Assessment?

Outline Assessment (to be inserted in cabinet report)	Cabinet Report Reference:
Adoption of ECO Flex in Powys will facilitate delivery of multi million pounds of investment into energy efficiency measures by companies subject to the Energy Company Obligation (ECO). The Central Government scheme will be facilitated via ECO agents at zero cost to the council. The council has potential to generate significant income via fees levied for declarations issued to ECO agents, allowing them to access funding. The scheme is designed to improve the energy efficiency of dwellings, targeting/improving E, F and G rated premises and reducing likelihood of residents suffering from fuel poverty. A negative impact is the potential detrimental effect on local installers, as providers will come from out of county. To mitigate this, the authority will introduce criteria specifying agents use local installers. Failure to deliver on this obligation will result in removal of agents from the scheme.	

11. Is there additional evidence to support the Impact Assessment (IA)?

What additional evidence and data has informed the development of your proposal?

- Previous success of the scheme whilst in operation in terms of delivery and income generated
- Opinions of local lobbying group who desired concessionary changes
- Desire to assist residents in fuel poverty and to deliver energy efficiency/property improvements, eradicating E, F & G EPC rated properties from Powys
- Political repercussions for the council will likely endure should Powys decline free energy efficiency grants for local residents in fuel poverty

12. On-going monitoring arrangements?

What arrangements will be put in place to monitor the impact over time?

Feedback from frontline staff involved in operation of the grant, councillor feedback and reviewing of any scheme complaints over time.

Please state when this Impact Assessment will be reviewed.

October 2019 (or 6 months after scheme adoption)

13. Sign Off

Position	Name	Signature	Date
Impact Assessment Lead:	Julian Preece		December 2018
Head of Service:	Simon Inkson		
Director:	Nigel Brinn		
Portfolio Holder:	Cllr. James Evans		

14. Governance

Decision to be made by

Cabinet

Date required

FORM ENDS