

Meeting of:	Cabinet
Date of Meeting:	Thursday, 30 March 2023
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	ECO4 Flex Joint Statement of Intent and Memorandum of Understanding
Purpose of Report:	To update Cabinet on the ECO4 scheme, and to delegate specified power to enable the Council to participate in the ECO4 Flex element of the scheme.
Report Owner:	Deputy Leader and Cabinet Member for Sustainable Places
Responsible Officer:	Director of Place
Elected Member and Officer Consultation:	<p>No Elected Members have been consulted as this is not a ward specific matter</p> <p>Director of Corporate Resources Legal Services - Committee Reports Operational Manager (Accountancy) Operational Manager (Property) Operational Manager (Exchequer) Information Manager and Data Protection Officer Programme Manager Project Zero (Climate Change) Operational Manager (Regeneration) Team Leader (Economy & Neighbourhood Regeneration) Empty Property Development Officer</p>
Policy Framework:	This is a matter for Executive decision by Cabinet.

Executive Summary:

The Energy Company Obligation (ECO) is a UK government scheme that places legal obligations on energy suppliers to deliver energy efficiency measures to domestic premises which are designed to tackle fuel poverty and help reduce carbon emissions. The scheme is administered by the Office of Gas and Electricity Markets (Ofgem) on behalf of the Department for Business, Energy and Industrial Strategy (BEIS).

The latest iteration of ECO (known as ECO4) focusses on improving the least energy efficient homes as only properties in Standard Assessment Procedure (SAP) band D-G can be treated. It also requires a more complete upgrade of those homes, shifting to a multi-measure 'whole-house' retrofit approach to achieve an upgrade of a property's energy efficiency rating by 2 SAP bands. Examples of qualifying retrofit measures include solid wall, cavity, floor and loft insulation, and/or the repair and replacement of broken heating systems and the installation of renewable heating systems such as air source heat pumps and solar panels.

Under the Ofgem guidance the 'Flexible Eligibility' element to ECO4 (known as ECO4 Flex) allows local authorities to set their own criteria for identifying and targeting households that meet the eligibility requirements. ECO4 Flex is therefore a household referral mechanism within the wider ECO4 scheme which enables local authorities to collaborate with the obligated energy supplier and third parties such as Citizen's Advice and NHS professional healthcare workers to tailor energy efficiency schemes to their respective geographic area.

ECO4 applies to measures installed from 1st April 2022 and will cover a four-year period until 31st March 2026. ECO4 Flex is available only to owner-occupied households and private rented sector households that meet the eligibility requirements.

Cardiff Capital Region (CCR) is co-ordinating work to maximise the funding opportunity that exists for the region around the ECO scheme, particularly the ECO Flex element. In this regard a draft Joint Statement of Intent (Appendix 1) and a draft Memorandum of Understanding (Appendix 2) have been prepared for consideration and review by the Council prior to participation in the ECO4 Flex scheme.

The ECO4 Flex scheme aligns with the ambitions of both CCR and this Council by alleviating fuel poverty and contributing to energy efficiency targets through the retrofit of the domestic housing stock. Not participating in the ECO4 Flex scheme is discounted as it would prevent vulnerable residents from accessing energy efficiency improvement measures and leave them open to experiencing fuel poverty.

The report recommends that Cabinet endorses the participation of the Council in the ECO4 Flex scheme. To satisfy Ofgem guidance the report also recommends that the Director of Place is the dedicated responsible person for the ECO4 Flex scheme and therefore the authorised signatory for the Joint Statement of Intent and the Memorandum of Understanding.

Recommendations

1. That Cabinet notes the contents of the report and endorses the participation of the Council in the ECO4 Flex scheme.
2. That the Director of Place is confirmed as the dedicated responsible person for the ECO4 Flex scheme and authorised signatory for the Joint Statement of Intent and Memorandum of Understanding.
3. That delegated authority be granted to the Director of Place in consultation with the Deputy Leader and Cabinet Member for Sustainable Places to agree the final format of and any necessary typographical changes and minor amendments to the ECO4 Flex Joint Statement of Intent and Memorandum of Understanding prior to publication, and thereafter update with any factual updates in response to policy or legislative changes as appropriate.

Reasons for Recommendations

1. To apprise Cabinet of the current position and to obtain an endorsement from Cabinet for the Council to participate in the ECO4 Flex scheme.
2. To meet an eligibility requirement for the ECO4 Flex scheme.
3. To accommodate any necessary changes and/or amendments resulting from revised policy and guidance and to enable the correction of any typographical or minor errors found within the ECO4 Flex Joint Statement of Intent and Memorandum of Understanding, without the need to seek Cabinet approval.

1. Background

- 1.1 The Energy Company Obligation (ECO) is a UK government scheme that places legal obligations on energy suppliers to deliver energy efficiency measures to domestic premises which are designed to tackle fuel poverty and help reduce carbon emissions. The scheme is administered by the Office of Gas and Electricity Markets (Ofgem) on behalf of the Department for Business, Energy and Industrial Strategy (BEIS).
- 1.2 The Electricity and Gas (Energy Company Obligation) Order 2022 for the latest iteration of ECO (known as ECO4), came into force on 27th July 2022.
- 1.3 ECO4 places a legal obligation on energy suppliers to reduce heating costs for low income and vulnerable households by delivering energy efficiency and heating measures. ECO4 focusses on improving the least energy efficient homes as only properties in Standard Assessment Procedure (SAP) band D-G can be treated. It also requires a more complete upgrade of those homes, shifting to a multi-measure 'whole-house' retrofit approach to achieve an upgrade of a property's energy efficiency rating by 2 SAP bands. Examples of qualifying retrofit measures include solid wall, cavity, floor and loft insulation, and/or the repair and replacement of broken heating systems and the installation of renewable heating systems such as air source heat pumps and solar panels.

- 1.4 ECO4 applies to measures installed from 1st April 2022 and will cover a four-year period until 31st March 2026. ECO4 Flex is available only to owner-occupied households and private rented sector households that meet the eligibility requirements set out in the ECO4 Order.
- 1.5 Under the Ofgem guidance the 'Flexible Eligibility' element to ECO4 (known as ECO4 Flex) allows local authorities to set their own criteria for identifying and targeting households that meet the eligibility requirements set out in the ECO4 Order. ECO4 Flex is therefore a household referral mechanism within the wider ECO4 scheme which enables local authorities to collaborate with the obligated energy supplier/s and third parties such as Citizen's Advice and NHS professional healthcare workers to tailor energy efficiency schemes to their respective geographic area.

2. Key Issues for Consideration

- 2.1 A report to the Cardiff Capital Region (CCR) Cabinet on 29th November 2021 considered the need to maximise the funding opportunity that exists for the region around the ECO scheme, particularly the ECO Flex element. CCR Cabinet resolved to establish an ECO Working Group with all local authorities to enhance the delivery of the ECO scheme and agree a Joint Statement of Intent for the delivery of ECO Flex. Furthermore, the CCR Cabinet also resolved to proceed with market testing in order to select an energy supplier partner/s.
- 2.2 The latest iteration of the ECO scheme (ECO4) aligns with the ambitions of both CCR and this Council by alleviating fuel poverty and contributing to energy efficiency targets through the retrofit of the domestic housing stock.
- 2.3 In light of the Electricity and Gas (Energy Company Obligation) Order 2022 and the publication of Ofgem guidance, CCR officers have prepared a draft Joint Statement of Intent for the ECO4 Flex scheme which can be found in Appendix 1. To satisfy Ofgem guidance and to confirm this Council's participation in the ECO4 Flex scheme, the document is to be ratified, signed and published on the Council's website. The Joint Statement of Intent is therefore a public statement of the criteria the Council intends to use to identify households that meet the eligibility criteria under ECO4 Flex, and sets out the Council's approach to residents, the obligated energy supplier/s, and third party organisations.
- 2.4 In relation to the market testing, a selection process was undertaken by CCR officers during the first six months of 2022, which resulted in E.ON being appointed the energy supply partner for the Vale of Glamorgan, Bridgend, Cardiff, Rhondda Cynon Taff and Merthyr Tydfil local authorities. Subject to this Council's participation in the ECO4 Flex scheme, a draft Memorandum of Understanding has been prepared by CCR officers which sets out how CCR, E.ON and the relevant local authorities will work together to maximise the delivery of ECO4 Flex. The Memorandum of Understanding gives a broad understanding of the key objectives of the scheme, the principles of collaboration, and the respective roles and responsibilities the parties will have during the lifespan of the scheme. The said document can be found in Appendix 2 and is to be ratified and signed by CCR, E.ON and the relevant local authorities. For completeness,

EDF has been appointed the energy supply partner for the Torfaen, Blaenau Gwent, Monmouthshire, Newport and Caerphilly local authorities.

- 2.5 To satisfy Ofgem guidance it is recommended that the Director of Place is the dedicated responsible person for the ECO4 Flex scheme and therefore the authorised signatory for the Joint Statement of Intent and the Memorandum of Understanding.
- 2.6 Currently both documents are circulated to the relevant CCR local authorities for comment from their respective legal teams. Therefore the final agreed documents may change slightly from the documents attached. It is therefore recommended that delegated authority be granted to the Director of Place in consultation with the Deputy Leader and Cabinet Member for Sustainable Places to agree the final format of and any necessary typographical changes and minor amendments to the ECO4 Flex Joint Statement of Intent and Memorandum of Understanding prior to publication, and thereafter update with any factual updates in response to policy or legislative changes as appropriate.
- 2.7 The option of not participating in the ECO4 Flex scheme is discounted as it would prevent vulnerable residents from accessing energy efficiency improvement measures and leave them open to experiencing fuel poverty. Taking this and the emerging regional approach into consideration, discussions have been held between Council officers and E.ON representatives to support the initial advancement of ECO4 and ECO4 Flex in the Vale of Glamorgan. Subject to Cabinet approving participation, it is proposed to launch ECO4 Flex on a phased basis. In the first instance reactive processes will be followed. The ECO4 scheme will be promoted on the Councils website alongside the Joint Statement of Intent for ECO4 Flex. Residents will be directed to E.ON who will gather eligibility documents to determine whether the household qualifies for financial assistance. The final decision on whether a household receives a measure under ECO4 or ECO4 Flex will rest with E.ON. Furthermore, E.ON will be required to provide end-to-end customer support compliant with the General Data Protection Regulation, and manage accredited installers to ensure works are completed to a high standard. Prior to works commencing the Council will be asked by E.ON to review and check the approved application to ensure that it meets the eligibility criteria for ECO4 Flex. If the checks are satisfactory then the Council will be required to notify Ofgem of the outcome.
- 2.8 The ECO4 Flex approach as outlined in paragraph 1.5 of this report will require the adoption of proactive processes compliant with the General Data Protection Regulation. This aspect of the scheme is covered in paragraph 5.4 of this report.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 The ECO4 scheme is designed to reduce inequalities in terms of living standards, health and wellbeing. Qualifying criteria for ECO4 Flex are centred on low household incomes, health vulnerabilities, and the risk of fuel poverty. The proposed participation in ECO4 Flex aligns with the five ways of working as follows:

- **Involvement** - Promotion will be a fundamental part of the proposal, as will a protocol for identifying and targeting qualifying households.
- **Collaboration** - The proposal is based on a partnership approach involving neighbouring local authorities, Cardiff Capital Region, the obligated energy company and third party organisations.
- **Integration** - The proposal is an opportunity for public and private sector bodies to work in an integrated manner to achieve the delivery of economic, environmental and social well-being benefits in the Vale of Glamorgan.
- **Prevention** - The proposal builds upon the existing supportive approach undertaken by the Regeneration work area to improving living accommodation in the Vale of Glamorgan through schemes such as Empty Property Loans, Home Improvement Loans, and Disability Facilities Grants.
- **Long Term** - The proposal will improve and future proof the condition of qualifying properties.

4. Climate Change and Nature Implications

- 4.1** Participation in the ECO4 Flex scheme will contribute positively to increasing options for those who are at risk of fuel poverty and at risk of the effects of living in accommodation that has a low energy efficient rating. Energy efficiency measures will be available to all qualifying households and every energy efficiency improvement measure a property receives helps reduce CO₂ emissions.

5. Resources and Legal Considerations

Financial

- 5.1** All costs associated with the work to upgrade qualifying households will be borne by the obligated energy company E.ON.
- 5.2** There will be no dedicated budget allocated to the Council to promote ECO4 nor to administer the referral and declaration processes for ECO4 Flex.

Employment

- 5.3** The Regeneration work area will have operational responsibility for the ECO4 Flex scheme. Acceptable arrangements are in place to promote the scheme and administer the declaration process in the first instance as described in paragraph 2.7 of this report. However, it is difficult at this stage to be precise about the level of resource required up to 31st March 2026, as that depends to a large degree on the uptake rate from the public which is linked to the timely introduction of data sharing agreements (refer to paragraph 5.4). A review of the level of resource required will therefore be considered by the Director of Place as part of an overall resource plan.

Legal (Including Equalities)

- 5.4** It is anticipated that qualifying households could be hard to reach and/or be less likely to take part in the ECO4 Flex scheme without hearing about it from a trusted source. In this regard the Council, E.ON and third parties will in due course enter into appropriate data sharing agreements to enable proactive outreach work. This work stream will require a Data Protection Impact Assessment (DPIA) to identify risks arising out of the processing of personal data and to minimise these risks as far and as early as possible. DPIAs are important tools for negating risk, and for demonstrating compliance with the General Data Protection Regulation.
- 5.5** The obligated energy company must ensure that the quality and competency of their supply chain and subsequent works to homes comply with Trustmark (PAS2035) standards and any other standards set out in the Ofgem guidance. PAS 2035 is a recognisable quality standard for the retrofit and energy efficiency sector for housing. E.ON will communicate a list of appointed installers to the Council before any work starts in the Vale of Glamorgan.

6. Background Papers

The Electricity and Gas (Energy Company Obligation) Order 2022

<https://www.legislation.gov.uk/ukxi/2022/875/made>

BEIS, Guidance: Standard Assessment Procedure

[https://www.gov.uk/guidance/standard-assessment-procedure#:~:text=The%20Standard%20Assessment%20Procedure%20\(%20SAP%20\)%20is%20the%20methodology%20used%20by,energy%20and%20environmental%20policy%20initiatives.](https://www.gov.uk/guidance/standard-assessment-procedure#:~:text=The%20Standard%20Assessment%20Procedure%20(%20SAP%20)%20is%20the%20methodology%20used%20by,energy%20and%20environmental%20policy%20initiatives.)

Cardiff Capital Region Cabinet, 29th November 2021, ECO Local Authority Flexible Eligibility Energy Company Obligation (“ECOFLEX”)

<https://www.cardiffcapitalregion.wales/wp-content/uploads/2021/11/item-8-eco-flex.pdf>

Ofgem, ECO4 Guidance: Local Authority Administration V1.1, published 16th November 2022

<https://www.ofgem.gov.uk/sites/default/files/2022-09/ECO4%20Guidance%20for%20Local%20Authorities%20final.pdf>

Ofgem, Energy Company Obligation (ECO4) Guidance: Delivery V1.1, published 3rd February 2023

<https://www.ofgem.gov.uk/sites/default/files/2023-02/ECO4%20Delivery%20Guidance%20v1.1%20%281%29.pdf>

Trustmark and the Delivery of PAS2035

<https://www.trustmark.org.uk/tradespeople/pas-2035>

APPENDIX 1

Joint Statement of Intent for ECO4

Cardiff Capital Region City Deal ECO4 Flexible Eligibility Statement of Intent

Between:

BLAENAU GWENT COUNTY BOROUGH COUNCIL

BRIDGEND COUNTY BOROUGH COUNCIL

CAERPHILLY COUNTY BOROUGH COUNCIL

THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF

MERTHYR TYDFIL COUNTY BOROUGH COUNCIL

MONMOUTHSHIRE COUNTY COUNCIL

NEWPORT CITY COUNCIL

RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL

TORFAEN COUNTY BOROUGH COUNCIL

THE VALE OF GLAMORGAN COUNCIL

Publication Date: XX/XX/XXXX

Version Number: 1.0

Publication on website: _____

Introduction and Background

The Cardiff Capital Region City Deal Regional Cabinet (CCRCD) agreed to pursue a regional approach to Energy Company Obligation 4 scheme (ECO) in November 2021 as the scheme had not been utilised effectively across the 10 Local Authorities during previous iterations of ECO.

This statement sets out the flexible eligibility criteria for the ECO4 scheme from April 2022 – March 2026 on behalf of the 10 Local Authorities which make up the Cardiff Capital Region (CCR) Economic Area in Southeast Wales: BLAENAU GWENT COUNTY BOROUGH COUNCIL, BRIDGEND COUNTY BOROUGH COUNCIL, CAERPHILLY COUNTY BOROUGH COUNCIL, THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF, MERTHYR TYDFIL COUNTY BOROUGH COUNCIL, MONMOUTHSHIRE COUNTY COUNCIL, NEWPORT CITY COUNCIL, RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL, TORFAEN COUNTY BOROUGH COUNCIL AND THE VALE OF GLAMORGAN COUNCIL.

ECO4 is a UK Government requirement for energy companies to support households in fuel poverty, and reducing carbon emissions within the housing stock, by installing energy efficiency measures. The flexible approach for Local Authorities (LAs) to identifying fuel poor and vulnerable households who may benefit from heating and energy saving measures is referred to as “ECO4 Flex”.

The CCR and its member authorities welcomes the introduction of the ECO4 Flex eligibility routes as it is seen as a key staple of improving the heat and energy efficiency of the homes of those in fuel poverty or that are vulnerable to the cold.

Identifying Eligible Households

Route 1 (Low-Income):

SAP bands D-G owner-occupied households and private rented sector E-G households with an income less than £31,000. This cap applies irrespective of the property size, composition, or region.

Route 2 (Combined Proxy Eligibility):

SAP bands E-G for owner-occupied households and private rented sector households that meet a combination of two of the following proxies (Table 1):

Proxy 1*)	Homes in Lower Super Output Area (LSOA) decile 1-3 on the Welsh Index of Multiple Deprivation 2019.
Proxy 2)	Householders receiving a Council Tax reduction (reduction based on low income only, excluding single person reduction).
Proxy 3*)	Householders vulnerable to the effects of living in a cold home as identified in the National Institute for Health and Care Excellence (NICE) Guidance. Only one from the list can be used, excludes the proxy 'low income'.
Proxy 4)	A householder receiving free school meals due to low-income.
Proxy 5)	A householder supported by a LA run scheme that has been named and described by the LA as supporting low income and vulnerable households for the purposes of the NICE Guideline. Details of scheme: <i>Note: This is for Council's to fill out as they see fit. If there are no LA run schemes that meets the criteria then please remove this proxy from the Statement of Intent.</i>
Proxy 6)	A household referred to the LA for support by their energy supplier or Citizen's Advice because they have been identified as struggling to pay their electricity and gas bills.

(*Note that proxies 1 and 3 cannot be used together*)

Route 3 (NHS Referral):

SAP bands D-G households that have been identified by their doctor or GP as low income and vulnerable, with an occupant whose health conditions may be impacted further by living in a cold home. These health conditions may be cardiovascular, respiratory, immunosuppressed, or limited mobility related.

This is because the Council has identified a positive correlation between households who suffer from long-term health conditions and living off a low-income, with living in poorly insulated homes.

Route 4 (Bespoke Targeting)

SAP band D-G households that are referred under Route 4: Bespoke Targeting. Suppliers and LAs can submit an application to BEIS where they have identified a low income and vulnerable household, who are not already eligible under the exiting routes.

Declaration and evidence check confirmation

All potentially eligible households should apply through XXXXXX Council or one of their approved ECO installers to ensure that they can either benefit from the scheme or be assessed for eligibility under any other relevant programme. The officer below will be responsible for checking and verifying declarations and associated evidence submitted on behalf of the local authority:

Name: XXXX XXXX

Job Title: XXXXXXXXXXXXXXXXXXXX

Telephone: XXXXX XXXXXX

Email: XXXXXX@XXXXX.gov.uk

CEO or dedicated responsible person mandatory signature

The XXXXXX Council will administer the scheme according to BEIS' ECO4 Order and will identify eligible households via Ofgem's application process. The CEO of the Council will oversee the process of identifying eligible households under ECO4 Flex. The eligibility information will be stored securely in line with the Council's data protection policy, Information Commissioner's Office Data Sharing Code, and BEIS guidance.

Signature: XXXXXX

Name: XXXX XXXX

Job Title: CEO/ dedicated responsible person

Date of signature: XX/XX/XXXX

For any general enquires relating to this Sol, please contact XXXXXX@XXXXX.gov.uk

DRAFT

APPENDIX 2

DATED

MEMORANDUM OF UNDERSTANDING

Between

BRIDGEND COUNTY BOROUGH COUNCIL (1)

THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF (2)

MERTHYR TYDFIL COUNTY BOROUGH COUNCIL (3)

RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL (4)

THE VALE OF GLAMORGAN COUNCIL (5)

**THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF ON BEHALF OF
THE CARDIFF CAPITAL REGION CITY DEAL (6)**

and

E.ON ENERGY SOLUTIONS LIMITED (7)

This agreement is dated [DATE]

Parties

- (1) Bridgend County Borough Council of Civic Offices, Angel Street, Bridgend CF31 4WB
- (2) The County Council of the City and County of Cardiff of County Hall, Atlantic Wharf, Cardiff CF10 4UW
- (3) Merthyr Tydfil County Borough Council of Civic Centre, Castle Street, Merthyr Tydfil, CF47 8AN
- (4) Rhondda Cynon Taff County Borough Council of The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX; and
- (5) The Vale of Glamorgan Council of Civic Offices, Holton Road, Barry, CF63 4RU

Together referred to as “**the Councils**” and individually as “**a Council**”

- (6) The County Council of the City and County of Cardiff on behalf of the Cardiff Capital Region City Deal of County Hall, Atlantic Wharf, Cardiff CF10 4UW (“**CCR**”)
- (7) E.ON Energy Solutions Limited incorporated and registered in England and Wales with company number 03407430 whose registered office is at Westwood Way, Westwood Business Park, Coventry, CV4 8LG (“**Energy Supplier**”)

Each **Council**, **CCR** and the **Energy Supplier** being a **Party** and together they are the **Parties**.

1. Background

- 1.1 ECO4 is an energy efficiency scheme which places a legal obligation on energy suppliers to deliver energy efficiency and heating measures to the least energy efficient domestic homes occupied by low income and vulnerable and fuel poor households in order to improve their energy efficiency and reduce fuel poverty.
- 1.2 One route to identify the households described in paragraph 1.1 is the Energy Company Obligation 4 Local Authority Eligibility Flexibility Scheme otherwise known as ECO4 Flex in which a participating local authority can identify and refer households it considers eligible for ECO4.
- 1.3 The Cardiff Capital Region City Deal (CCRCD) is comprised of the ten Local Authorities that make up South East Wales including the Councils. The County Council of the City and County of Cardiff has been appointed to act as the Accountable Body for the CCRCD. The ten Local Authorities of the CCRCD intend to work together to agree a Cardiff Capital Region joint Flexible Eligibility ‘Statement of Intent’ in order to participate in the ECO4 Flex.

- 1.4 The Energy Supplier is an energy supplier subject to the legal obligation to deliver those measures set out in paragraph 1.1 and can deliver up to 50% of its obligation through the ECO4 Flex route.
- 1.5 Subject to the Councils participation in ECO4 Flex, the Parties have agreed to work together to maximise the delivery of the Energy Company Obligation 4 Local Authority Eligibility Flexibility Scheme otherwise known as ECO4 Flex (“**the Project**”) within the administrative areas of the Councils.
- 1.6 The Parties wish to record the basis on which they will collaborate with each other on the Project. This Memorandum of Understanding (“**MoU**”) sets out the:
- 1.6.1 the key objectives of the Project;
 - 1.6.2 the principles of collaboration; and
 - 1.6.3 the respective roles and responsibilities the Parties will have during the Project.

2. Key objectives of the Project

- 2.1 The aim of the Project is to assist with the installation of measures to improve energy efficiency for fuel poor private households that will generate savings for customers and helps the Energy Supplier to meet its legal obligation under ECO4.
- 2.2 The referral process for the Project, as set out in paragraph 5.4, will help the Energy Supplier meet its obligation under ECO4 and will also help CCR and the Councils with their goals of decarbonising housing stock and reducing fuel poverty across the Cardiff Capital Region.

3. Principles of Collaboration

- 3.1 The Parties agree to adopt the following principles when carrying out the Project (**Principles**):
- 3.1.1 collaborate and co-operate. Establish and adhere to the provisions of this MoU to ensure delivery of the Project.
 - 3.1.2 be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU.
 - 3.1.3 be open. Communicate openly about major concerns, issues or opportunities relating to the Project.
 - 3.1.4 learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost.
 - 3.1.5 adhere to statutory requirements, guidance and best practice.

- 3.1.6 act in good faith to support achievement of the Project and compliance with these Principles.

4. Project Governance

- 4.1 CCR through the ECO Flex Working Group shall have oversight of this MoU and shall monitor the Parties performance of their respective obligations under this MoU.
- 4.2 CCR shall report to the CCR Regional Cabinet on the number of measures installed as well as the type of measures and within which Council's administrative areas under the Project and ECO4.

5 Roles and Responsibilities

- 5.1 The Parties shall undertake the following roles and responsibilities to deliver the Project.

The Councils

- 5.2 The Councils shall agree a Joint Statement of Intent, to be prepared by CCR, which shall be published on the Councils' websites in order for the Councils to participate in the Project.
- 5.3 Following publication of the Joint Statement of Intent, the Councils shall be responsible for producing and signing all declarations for their respective administrative areas and liaising with OFGEM unless they have agreed to delegate authority to do so to another Council in which case it shall be that Council's responsibility.
- 5.4 Each Council shall:
- 5.4.1 Provide any available data relating to housing stock within their individual administrative area to the Energy Supplier through appropriate data sharing agreements to be entered into outside of this MoU;
 - 5.4.2 Assist and collaborate with the Energy Supplier on resident and local community engagement;
 - 5.4.3 Allow the use of co-branded marketing material (approved by all parties prior to its use or issue) and issue this through agreed channels;
 - 5.4.4 Direct any resident that enquires about the Project to the Energy Supplier in the first instance so the Energy Supplier can provide advice and assessment for eligibility for ECO4.
 - 5.4.5 Help to raise awareness of the Project and the referral routes with the health service, third sector and other community organisations;
 - 5.4.6 Direct any local installers to contact the Energy Supplier in the event that they wish to on-board to be approved as an ECO4 Flex installer in the area.

The Energy Supplier

5.5 The Energy Supplier shall report on the number of installations and types of measures installed within the administrative areas of the Councils under the Project and under the other routes of ECO4 to the Councils and CCR on a monthly basis.

5.6 The Energy Supplier is committed to providing funding for ECO4 and arranging the installation of measures via their installer network within eligible homes under the Project within the administrative areas of the Council and shall endeavour to maximise the delivery of the Project and Supplier Flex within the Council's administrative areas

5.7 The Energy Supplier shall notify CCR and the Councils accordingly if there are categories of vulnerable households within the administrative areas of the Councils which require a flexible approach to eligibility under the Project.

5.8 The Energy Supplier shall ensure that the quality and competency of their supply chain and subsequent works to homes meet Trustmark (PAS2035) standards and any other standards set out in the guidance produced on ECO4.

CCR

5.9 CCR shall be responsible for co-ordinating the relationship between the Councils and the Energy Supplier by:

5.9.1 Arranging meetings which shall take place on a monthly basis either virtually or in-person;

5.9.2 Co-ordinating publicity materials;

5.9.3 Preparing reports to CCR Regional Cabinet on the Project.

All Parties

5.10 Subject to paragraph 5.11, no Party shall make any press announcements or publicise this MoU or the Project or any part thereof in any way unless the press announcements or publicity has been agreed between all the Parties first. Where a Party fails to comply with this paragraph 5.10, any of the other Parties shall have the right to terminate this MoU with immediate effect. For the avoidance of doubt, the Energy Supplier shall have no right to terminate this MoU in respect of CCR and/or the Councils exercising their rights under paragraph 5.11.

5.11 CCR and the Councils shall be entitled to publicise this MoU in accordance with any legal obligation on CCR and the Councils or otherwise, including any examination of this MoU by the Auditor.

5.12 Any communication to members of the public about the Project must be agreed between all Parties in advance. The Energy Supplier shall take all reasonable steps to ensure the observance of the provisions of this paragraph by its installers.

5.13 The Parties agree that where data (including personal data) is required to be shared between two or more of the Parties in connection with the Project, then those Parties shall enter into a data sharing agreement which shall govern the sharing of that data

between those Parties. No such data shall be shared until a data sharing agreement has been entered into between the relevant Parties.

5.14 The Parties acknowledge that this MoU may need to be reviewed and any necessary changes made to this MoU in accordance with paragraph 7 (variation).

6 Term and Termination

6.1 This MoU shall commence on the date of signature by all Parties and shall expire on the later of 31st March 2026 or the completion of the Project, unless otherwise terminated in accordance with this MoU.

6.2 Any Party may terminate this MoU by giving at least three (3) months' notice in writing to the other Parties at any time.

7 Variation

7.1 No variation of this MoU shall be valid or effective unless it is in writing, refers to this MoU and is duly signed or executed by the Parties (or their authorised representatives).

7.2 If there are any changes in regional or national policies, including but not limited to any changes to the regulations on ECO4 which affect the Project, CCR and/or the Councils reserves the right to amend this MoU in accordance with paragraph 7.1.

8 Charges and Liabilities

8.1 Except as otherwise provided, the Parties shall each bear their own costs and expenses incurred in complying with their obligations under this MoU.

8.2 Only to the extent permissible by law, each Party shall not be liable to any other Party for any losses or liabilities caused by its or its employees actions. Each Party shall remain liable for any loss or liabilities it suffers as a result of this MoU.

8.3 For the avoidance of doubt, neither CCR nor the Councils are appointing the Energy Supplier or their installers to install any measures or carry out any works on eligible properties under the Project. The Energy Supplier agrees that there shall be no liability or responsibility on the part of the Councils or CCR for any works or measures installed on eligible properties under the Project by the Energy Supplier or their installers.

9 Status

9.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MoU. The Parties enter into the MoU intending to honour all their obligations.

9.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute any Party as the agent of any other Party,

nor authorise any of the Parties to make or enter into any commitments for or on behalf of any other Party.

9.3 The Energy Supplier acknowledges that, in entering into this MoU, no volume guarantee has been granted by CCR or the Councils for the Project and that whilst the CCR and the Councils are committed to working with the Energy Supplier to deliver the Project, the CCR and the Councils, acting jointly or separately, reserve the right to enter into other contracts or arrangements with other energy suppliers where they are approached by other energy suppliers in respect of ECO4 and/or ECO4 Flex.

10 Governing law and jurisdiction

10.1 This MoU shall be governed by and construed in accordance with the Laws of England and Wales as it applies in Wales and each Party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

This MoU has been entered into on the date stated at the beginning of it

Signed by

for and on behalf of **Bridgend County Borough Council**

Name:

Job Title:

Date:

Signed by

for and on behalf of **The County Council of the City and County of Cardiff**

Name:

Job Title:

Date:

Signed by

for and on behalf of **Merthyr Tydfil County Borough Council**

Name:

Job Title:

Date:

Signed by

for and on behalf of **Rhondda Cynon Taff County Borough Council**

Name:

Job Title:

Date:

Signed by

for and on behalf of **The Vale of Glamorgan Council**

Name:

Job Title:

Date:

Signed by

for and on behalf of **The County Council of the City and County of Cardiff on behalf of the Cardiff Capital Region City Deal**

Name:

Job Title:

Date:

Signed by

for and on behalf of **E.ON Energy Solutions Limited**

Name:

Job Title:

Date:

DRAFT