



BY BROKERING PARTNERSHIPS BETWEEN THE PUBLIC AND PRIVATE SECTORS THROUGH TWO SEPARATE SCHEMES, BIRMINGHAM AND NEWCASTLE ARE IMPROVING THE ENERGY EFFICIENCY OF THEIR HOUSING STOCK, DECREASING FUEL POVERTY AND CREATING JOBS AND TRAINING OPPORTUNITIES FOR PEOPLE FROM DISADVANTAGED BACKGROUNDS.



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LOCAL STRATEGIES TO IMPLEMENT NATIONAL ENERGY EFFICIENCY SCHEMES

CONTEXT

Birmingham and Newcastle have higher levels of unemployment, 9% and 10% respectively, compared to the UK national average of 6.2%. Birmingham's youth unemployment rate is 14.1% with more young people expected to enter the labour market in the next five years.

Birmingham and Newcastle also have a large volume of houses built before 1975, which are considered among Europe's most energy inefficient buildings. Energy prices in the UK have also gone up by an average of 150% from 2004-2012. As a result fuel poverty⁹ reached up to 17% of households in some neighbourhoods of Birmingham and 19% of all households in Newcastle. This has a significant impact on health (e.g. increased deaths in winter), as many households are unable to heat their homes. The prevalence of energy inefficient buildings also has a negative impact on the environment: 33% and 37.4% of carbon emissions come from residential buildings in Newcastle and Birmingham respectively.

SOLUTION

Birmingham launched the Birmingham Energy Savers (BES) programme and Newcastle created the Warm up North (WUN) programme to make the most of two national programmes for energy efficiency in buildings, the Green Deal and ECO.¹⁰ BES and WUN are

both delivered through public-private partnership agreements with private companies (delivery partners), who are responsible for installing the energy efficiency measures. The energy efficiency measures under both programmes are outlined in the box on the next page.

⁹ Figures based on the '10% fuel poverty definition': in order to heat its home to an adequate standard of warmth, a household needs to spend more than 10% of its income on total fuel use.

¹⁰ The Green Deal and 'Energy Company Obligation' (ECO) are two national programmes providing financial incentives and support to carry out energy efficiency improvements to buildings.

ENERGY EFFICIENCY MEASURES PROVIDED:

Birmingham (BES)

Delivery partner: Carillion

- insulation of lofts, cavities and solid walls in large apartment blocks
- installation of communal heating
- solar panels for council houses

Newcastle (WUN)

Delivery partner: British Gas

- comprehensive energy efficiency retrofitting of houses
- installation of new boilers
- installation of solar panels and compatible thermal heating



Both city councils drew up contracts with the delivery partners to ensure that the programmes would create local employment and facilitate access to jobs for vulnerable groups. This included agreeing that the delivery partners would:

- focus the supply chain on local companies: both BES and WUN are accompanied by schemes that help local small and medium sized enterprises (SMEs) win sub contracts,
- create schemes that enable people from disadvantaged backgrounds to access jobs that arise as the result of the programmes, and
- provide training opportunities and placements to assist people in getting jobs and/or guide the career choices of young people.

BES targets various groups; the long term unemployed, older people who have been made redundant and face difficulties finding new employment, people who need reskilling and recent graduates with no work experience, and young people not in education, employment or training (NEETS). BES carries out targeted recruitment in neighbourhoods with the highest unemployment rates. These are delivered in partnership with community groups and referral agencies such as job centres or redundancy groups, together with Birmingham City Council's Employment Access Team.

BES also provides pre-employment training for job seekers, including: CV workshops, interview coaching, work shadowing in a call centre, and training in customer service skills.

BES includes elements that aim to reduce Birmingham's growing youth unemployment rate by guiding young people's career choices towards the green economy. It offers a week's work placement for 11-16 year olds, during which they gain experience in installation and marketing, and take part in site visits and employability support schemes. It also runs Saturday clubs for practical activities, such as making mini solar-powered cells.



WUN targets NEETs specifically. Its delivery partner, British Gas, offers a scheme called 'Transform' which provides 20 shortlisted candidates with a week's course in sustainability skills, provided by the Business and Technology Education Council.

Upon completion of the course, participants are guaranteed an interview which often leads to employment.

To ensure that the procurement contracts included elements that would bring social and economic benefits to local communities, both councils used the 'competitive dialogue' process in their procurement for these schemes. This process allowed the councils to start procurement without having to define all the details in advance. This was important when looking for an innovative solution because the councils did not know what was possible for companies in terms of adding socially inclusive programmes into their commercial activities. The 'competitive dialogue' process comprised of several rounds of exchanges between the council and the bidders to define the right solutions together. To ensure transparency, bidder elimination and selection was based on clear pre-defined criteria.

IMPACT

To date both BES and WUN have achieved significant improvements in terms of energy efficiency, fuel poverty and employment of vulnerable groups. This impact has been broken down and explained in the table below.

BIRMINGHAM ENERGY SAVERS	WARM UP NORTH
Employment and social inclusion	
<ul style="list-style-type: none"> ▪ 64 jobs created in the call centre arranging energy assessments as energy assessors and installing energy efficiency measures ▪ 489 people from priority groups assisted into job placements or training opportunities ▪ 2,480 training weeks provided to the unemployed or those in low skilled jobs 	<ul style="list-style-type: none"> ▪ 30 jobs created by British Gas and 90 jobs created in 23 SMEs in the WUN supply chain ▪ 2,900 hours of training provided to these employees ▪ 17 NEETs gained formal qualifications
Environment and energy efficiency	
<ul style="list-style-type: none"> ▪ Reduction of 3,502 tonnes of CO₂ emissions per annum ▪ Photovoltaic panels were installed on 1,300 city council houses. ▪ ‘Whole house’ retrofits were carried out in seven tower buildings with social flats, benefiting 3,226 households. 	<ul style="list-style-type: none"> ▪ Reduction of 6,142 tonnes of CO₂ emissions per annum ▪ There were 3,885 energy efficiency installations on 3,136 households in the North East of England. ▪ 1,060 households received new boilers.



CHALLENGES

Both cities used national funding instruments, the Green Deal and ECO, to finance the projects. Changes in government policy during the early stages of implementation led to uncertainty in the market, resulting in slow uptake by households. This meant that the anticipated volume of work in BES and WUN did not materialise.

In Birmingham, this resulted in fewer employment programmes being delivered.

A number of challenges related to the Green Deal and ECO financing, such as relatively high interest rates, discouraged lower income households from using the schemes. In Newcastle, companies operating outside the scheme charged homeowners for surveys that were never carried out; generating public mistrust of the scheme.

For WUN, these challenges meant adapting its marketing and community engagement strategies, using public stands and social media. British Gas domestic boiler service engineers were also trained to advertise the scheme when carrying out repairs. Birmingham is concentrating its scheme on the council's own assets and is engaging with tenants in these blocks and residents in surrounding areas.