

**APPENDIX 2**

**DATED**

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**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: .....

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Date: .....

Signed by

for and on behalf of Rhondda Cynon Taff County Borough Council

Name: .....

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Date: .....

Signed by

for and on behalf of The Vale of Glamorgan Council

Name: .....

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

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for and on behalf of E.ON Energy Solutions Limited

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