

## **North Somerset Council Decision**

**Decision Of: Cllr Mike Bell – Deputy Leader of the Council  
(Public Health and Regulatory Services)**

**With Advice From: Private Sector Housing Service Leader,  
Section 151 Officer.**

**Directorate: Public Health & Regulatory Services**



**Decision No: PH023 2021/22**

**Subject: Sustainable Warmth Competition**

**Key Decision: Yes**

**Reason: The value of the bid is in excess of £500,000**

### **Background:**

As part of the government's programme to tackle climate change through home energy efficiency improvements a £350m fund was announced to target fuel poor households which would be delivered through a competition open to local authorities. The Department for Business, Energy and Industrial Strategy (BEIS) invited applications for this round to be delivered from early 2022 through to March 2023.

While the primary purpose of the funding is to tackle fuel poverty, delivering cost effective carbon savings and supporting economic resilience through creation of jobs in the construction and related sectors are also important.

We propose submitting a joint bid with Bristol City Council (BCC) as lead and Bath and North East Somerset (BaNES) to improve the home energy efficiency of homes in North Somerset. The proposal is as follows:

- 250 private sector homes to receive a combination of 520 measures

The estimated total capital will be **£3,066,665** and a revenue contribution of **£62,422**; all to be fully funded through the bid.

The Sustainable Warmth programme consists of two separate grant programmes; a combination of an on-gas grid scheme (Local Authority Delivery LAD3) and an off-gas scheme (Home Upgrade Grant HUG1) with scope for whole house retrofit. Having reviewed and analysed local stock data we estimate 250 homes could benefit from improvements in the timescale. The breakdown between schemes is 150 homes under LAD3 scheme (£1,425,000) and 100 homes under HUG1 (£1,641,665). This gives a total value for the NSC element of the consortium bid of **£3,129,087**.

The funding must be targeted at low-income households which the government have indicated should be no more than £30,000 before housing costs and inclusive of any benefits.

The bid will be ranked against assessment criteria set by BEIS under:

- **Strategic fit**
- **Delivery assurance**
- **Value for money**

The Climate Emergency motion with the approved strategy and action plan, also participation in the Carbon Literacy programme demonstrates a strong commitment on behalf of the Council. The draft Health and Well-being Strategy includes a focus on alleviating fuel poverty.

The emphasis for assessment will be on delivery of projects demonstrating clear timescales, quality assurance and robustness of monitoring and evaluation criteria. Setting realistic achievable targets based on current information especially available technical expertise, projected contractor and materials availability is critical. Through analysis of EPC data at a local level the project can target households with the characteristics to best match to appropriate measures.

Capital costings have been obtained from previous projects and published industry information, including current BEIS funded work. The grant amount is variable depending on the scheme, fuel type, EPC and tenure.

A separate work stream will be focusing on the supply chain and technical skill base through local SMEs and colleges.

Bristol City Council will act as lead authority for the bid and will manage referrals, processing, reporting and overall scheme compliance requirements. North Somerset Council resourcing includes recruiting a dedicated specialist caseworker (with management support), voluntary sector support and marketing.

The types of measures that would be eligible for funding all those which are likely to improve the ability of the householder to achieve affordable warmth including:

- insulation measures such as underfloor, cavity wall, solid wall and loft insulation;
- low carbon heating measures such as air source heat pump, high retention electric heating and heating controls; and
- renewable energy measures in particular solar PV.

The grant would be targeted to both owner occupier and private rented sector; although landlords being responsible for a third of the cost. The proposal aims to improve 20 homes in the private rented sector.

**Decision:**

Support a consortium application to the Sustainable Warmth Competition in partnership with Bristol City Council (Lead) and Bath and North East Somerset.

**Reasons:**

To help reduce the number of North Somerset households in fuel poverty; by improving the home energy efficiencies of homes and reducing carbon emissions.

**Options Considered:**

1. Submitting solely a North Somerset Council bid was considered as an option although this approach would not have benefited from the shared expertise of other authorities but importantly the economies of scale should result in increased value for money.
2. The option of not submitting a bid was rejected as this significant funding stream scheduled to run until March 2023; without it would be little available for low-income households. Its unlikely another funding stream will be announced until after the governments comprehensive spending review.

**Financial Implications:**

There are no significant financial implications arising from the bid, as no match funding is required and the grant will cover 100% of the costs. The Section151 Officer has reviewed the proposal and is supportive of the bid.

**Costs:**

The costs to be included in the bid for North Somerset are as follows:

LAD3 Scheme (150 homes) - £1,425,000  
HUG1 Scheme (100 homes) - £1,641,665  
Ancillary costs - £62,422

Total **£3,129,087**

**Funding:**

The funding available is designed to cover 100% of the costs and as targeted at low-income households; no contributions are required (other than landlords as required)

**Legal Powers and Implications:**

Only local authorities can bid for this capital; distributed under Section 31 Local Government Act 2003 and is governed through a Memorandum of Understanding with the lead authority.

**Climate Change and Environmental Implications:**

Improving home energy efficiency is a key priority within the Climate Emergency Action Plan and the HUG scheme is particularly aimed at retrofit and low carbon heating installations.

**Consultation:**

The extremely short timescale for preparation and submission of bids (7 weeks) has restricted the amount of consultation possible although we have taken the opportunity to engage with key partners including Centre for Sustainable Energy, South West Energy Hub, Warm Homes, Money and Advice project (WHAM) and West of England Combined Authority.

The Climate Emergency Group and ASH Working Group have been consulted also.

**Risk Management:**

There have been no significant risks identified from submitting the bid and the governance arrangements in place through lead member and BEIS adequately provide for any necessary mitigation or adjustment throughout the project.

**Equality Implications:**

Have you undertaken an Equality Impact Assessment? No

An EIA will be undertaken when outcome of bid is known but only positive impacts are expected.

**Corporate Implications:**

The greatest implication from a successful outcome of this bid will be the help to alleviate fuel poverty and the contribution to the climate emergency action plan.

**Appendices:**

None

**Background Papers:**

BEIS Sustainable Warmth Competition guidance.

[Apply for the Sustainable Warmth competition - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

**Signatories:****Decision Maker(s):**

Mike Bell

Signed:

Title: Deputy Leader of the Council (Public Health and Regulatory Services)

Date: 3 August 2021

**With Advice From:**

W. Jones

Signed: .....

Title: Private Sector Housing Service Leader

Date: 2 August 2021

Jones

Signed: .....

Title: Finance Business Partner Place (Deputy Section 151 Officer)

Date: 2 August 2021

**Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:**