

CAPITAL INVESTMENT BUSINESS CASE

Green Homes Grant – Local Authority Delivery



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'.

The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

The scheme will help to tackle the prevalence of fuel poverty across the 13,500 households in the city who are currently suffering this. In August 2020 the Government announced that funding was available for local authorities to deliver a local retrofit programme to fuel poor households. The project will improve the energy efficiency of 300 owner occupier, fuel poor households currently rated E, F, or G on the EPC. Delivery will be completed by utilising an existing partnership between Plymouth City Council (PCC) and Plymouth Energy Community (PEC).

The project will save 19,490 ton of carbon over the lifetime of the measures. It will provide £3.347m of additional turnover for local installers.

The project is low risk as it is 100% externally funded.

The project will utilise £3.347m external funding from the government.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£3,309,364	Contingency (show as £ and % of project value)	n/a
Programme	Low Carbon	Directorate	Place
Portfolio Holder	Cllr Sue Dann, Environment and Street Scene	Service Director	Paul Barnard (Strategic Planning & Infrastructure)
Senior Responsible Officer (client)	Alistair Macpherson	Project Manager	Paul Elliott
Address and Post Code	Various	Ward	Citywide

Current Situation: *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

The scheme will help to tackle the prevalence of fuel poverty across the 13,500 households in the city who are currently suffering this.

In August 2020 the Government announced that funding was available for local authorities to deliver a local retrofit programme to fuel poor households. LA's had a very limited time to prepare and submit a bid (3 weeks) with submission on 1st September. The Low Carbon Team completed this submission to time, and expect to hear on 28th September if application is successful. We have prepared this business case in lieu of a successful award because of the very tight delivery timescales that are attached to the scheme. (full spend by Apr 2021)

Proposal: *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)*

The project will improve the energy efficiency of 300 owner occupier, fuel poor households currently rated E, F, or G on the EPC. Delivery will be completed by utilising an existing partnership between PCC and PEC.

To maximise the delivery window the project will effectively 'bolt on' to schemes that PCC are already delivering in this space. As such PCC's Green Homes Grant – Local Authority Delivery project will take the form of a grant programme to fuel poor households, whereby the household enters into a contract with their chosen installer after securing a grant from PCC.

PEC will provide quality and unbiased advice to householders on the most appropriate measures to be installed. This advice will also cover what to expect before, during, and after installation – effectively hand holding the householder as necessary to ensure a successful installation for all concerned.

Strategic Case:

Which Corporate Plan priorities does this project deliver?	a green sustainable city that cares about the environment
	reduced health inequalities
	Select a priority
Explain how the project delivers or supports delivery of Joint Local Plan/Plymouth Plan Policies (include policy references)	HEA 8 – Meeting local housing needs
	The above policy directly references fuel poverty: 'Tackling fuel poverty through supporting supplier switching, fuel debt relief, and community-led energy supply services, and promoting domestic and non-domestic energy efficiency.'

Who are the key customers and Stakeholders	Fuel Poor Households Installers	Which Partners are you working with	Plymouth Energy Community LiveWell Southwest Local Installers
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SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: *The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).*

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	Completing full spend by March 2021 is not achieved	Low	Low	Low
Mitigation	We have completed a realistic delivery profile with level of forecast level of install. We have engaged with installers in order to be ready for funding award. There is no PCC funding required for this so lack of delivery will have no financial impacts	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£0	Risk Owner	Paul Elliott	

Outcomes and Benefits

Financial outcomes and benefits:	Non-financial outcomes and benefits:
The funding will create an additional £3.309m of turnover for local businesses. Fuel poor households will save in excess of £4.5m over the lifetime of the measures.	Improved Health & Wellbeing outcomes for those fuel poor households.

Low Carbon

What is the anticipated impact of the proposal on carbon emissions	612t CO ₂ saved annually, 19,490t CO ₂ saved over the lifetime of measures
How does it contribute to the Council becoming Carbon neutral by 2030	As above

Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Councillor Sue Dann
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Equalities Impact Assessment completed (This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)	Yes
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SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT : In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £	20/21 £	21/22 £	22/23 £	23/24 £	24/25 £	Future Yrs. £	Total £
Capital grants to householders		2,973,600						2,973,600
Project Management		69,898						69,898
Householder Support		51,066						51,066
Retrofit Fees		142,500						142,500
Enabling Works		72,300						72,300
Total capital spend		3,309,364						3,309,364

Provide details of proposed funding: Funding to match with Project Value

Breakdown of proposed funding	Prev. Yr. £	20/21 £	21/22 £	22/23 £	23/24 £	24/25 £	Future Yrs. £	Total £
BEIS - Green Homes Grant		3,309,364						3,309,364
Total funding		3,309,364						3,309,364

Which alternative external funding sources been explored (Provide evidence)	This is 100% funded by the department for Business, Energy, and Industrial Strategy. There are no alternative funding sources for this scale of project.
Are there any bidding constraints and/or any restrictions or conditions	The funding will have terms and conditions attached to it. These will be reviewed when received and pending successful funding award. However, as there is no requirement for PCC to use its own funding the conditions will not impact on PCC's finance.

attached to your funding			
Tax and VAT implications	n/a		
Tax and VAT reviewed by			
Schemes in excess of £0.5m should be supported by a Cost Benefit Analysis. Calculations undertaken should be attached as an appendix to support financial implications shown below. Please contact your revenue accountant for assistance with this section.			
Is the capital ask greater than £0.5m	No – external funding	If the answer is yes, have you attached the Cost Benefit Analysis	Y/N

REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

Total Cost of developing the project	£0 (no risk to service area)
Revenue cost code for the development costs	5657
Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria	Y/N
Budget Managers Name	Paul Elliott

Ongoing Revenue Implications for Service Area

	Prev. Yr.	19/20 £	20/21 £	21/22 £	22/23 £	23/24 £	Future Yrs.
Service area revenue cost							
Loan repayment (terms agreed with Treasury Management)							
Other (eg: maintenance, utilities, etc)							
Total Revenue Cost (A)							
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)							
Total Revenue Income (B)							
Service area net (benefit) cost (B-A)							
Has the revenue cost been budgeted for or would this make a revenue pressure	Yes – included in the funding award						
Which cost centre would the revenue pressure be shown	5657	Has this been reviewed by the budget manager				Y	
Name of budget manager	Paul Elliott						

Loan value	£	Interest Rate	%	Term Years	Annual Repayment	£
Revenue code for annual repayments			n/a			
Service area or corporate borrowing			n/a			
Revenue implications reviewed by						

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)

Author of Business Case	Date	Document Version	Reviewed By	Date
Paul Elliott	00/00/2020	v 1.0	Michelle Endacott	23/09/2020
	00/00/2020	v 2.0	Ruth Didymus	24/09/2020

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates £3,309,364 for the project into the Capital Programme funded by Green Homes Grant

Sue Dann		Paul Barnard (verbal confirmation)	
Either email dated:	14.08.20	Either email dated:	14.08.20
Or signed:		Signed:	
Date:		Date:	
		Service Director	
		[Name, department]	
Either email dated:		Either email dated:	date
		Signed:	
		Date:	