

CAPITAL INVESTMENT BUSINESS CASE

Home Energy Project – Top Up



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.

key notes

The Low Carbon Team have been awarded £300,000 from the Government's Build Back Better Fund administered by the Heart of the South West LEP. The funding will be added to the existing Home Energy budget in the capital programme and allow more fuel poor households to benefit from energy efficiency measures using the existing scheme.

key risks

The key risk is delivery of all measures by the end date of the funding. However, our existing delivery profile – even with Covid restrictions in place suggests that this will be completed

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£300K Capital	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)	Kat Deeney	Project Manager	Paul Elliott
Address and Post Code	n/a	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 Low Carbon Team have been awarded £300,000 from the Government's Build Back Better Fund administered by the Heart of the South West LEP. The funding will be used to provide top up funds

Energy Suppliers are obligated by government to lower the bills of vulnerable and fuel poor households. The Home Energy project is an existing project on the capital programme (budget line 8153) which levers in energy supplier funding to install measures which both improve the energy efficiency of fuel poor and vulnerable households, as well as reducing carbon emissions. The amount of funding from energy suppliers often falls short of the total cost of the installation, leaving the vulnerable household unable to afford the shortfall in cost – and without much needed heating and hot water. The Home Energy project provides the opportunity for that shortfall to be met by PCC funds.

Since the start of 2018 financial year the Home Energy project helped over 600 fuel poor households install energy efficiency measures. These measures not only provided householders with a warmer, healthier home, but significantly reduced the CO₂ emissions of the property.

Plymouth is nationally recognised as leading on this agenda – with our level of installations ranking us within the top 10 of all authorities UK wide.
The current obligation is in place until at least March 2022. As such it is vital for our vulnerable households that PCC attracts as much supplier funding to Plymouth as possible

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?)*

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Strategic Case:

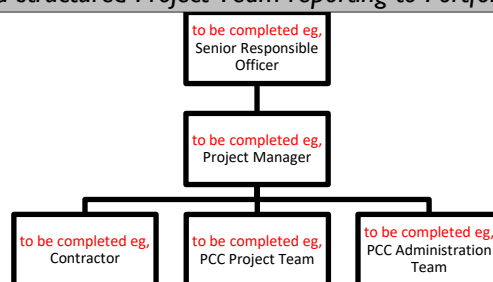
Which Corporate Plan priorities does this project deliver?	a green sustainable city that cares about the environment
	reduced health inequalities
	Select a priority
Explain how the project delivers or supports delivery of Joint Local Plan/Plymouth Plan Policies (include policy references)	<p>HEA 8 –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

Project Scope: *(To avoid scope creep and cost escalation it is important to have an agreed scope of what the project will and will not deliver. List below what is included and not included in the project 'budget'. Projects should be delivered within scope and budget, but should project change happen then the business case requires revisiting, updating and re-approval)*

In Scope	Out of Scope
All existing delivery under the current home energy project	Any delivery not associated with the existing project.

Project Governance : *How the project delivery is structured (amend example chart as appropriate)*
High Risk Projects will require a Project Board Chaired by Portfolio Holder

Low Risk Projects will require a structured Project Team reporting to Portfolio Holder



Milestones and Date:

Contract Award Date	Start On Site Date	Completion Date
Funding awarded Nov 2020	Nov 2020	Feb 2022

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 February 2022 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

List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

Financial outcomes and benefits:	Non-financial outcomes and benefits:
The funding will create an additional £1m of turnover for local businesses. Fuel poor households will save in excess of £170,000 per year.	Improved Health & Wellbeing outcomes for those fuel poor households

Low Carbon	
What is the anticipated impact of the proposal on carbon emissions	500t CO2 saved annually
How does it contribute to the Council becoming Carbon neutral by 2030	500t CO2 saved annually
Have you engaged with Procurement Service.	No
Procurement route options considered for goods, services or works	No need for procurement - these are household grants
Procurements Recommended route.	
Who is your Procurement Lead.	
Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Sue Dann

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. £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	Future Yrs. £m	Total £m
Household Grants	n/a	£0.05	£0.25					0.300
Total capital spend		0.050	0.250					0.300

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

Breakdown of proposed funding	Prev. Yr. £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	Future Yrs. £m	Total £m
Build Back Better Fund – LEP Grant		0.050	0.250					0.300
Total funding		0.050	0.250					0.300

Which external funding sources been explored	n/a
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Are there any bidding constraints and/or any restrictions or conditions attached to your funding	Yes - terms and condition administered via the LEP.
Tax and VAT implications	none
Tax and VAT reviewed by	Sarah Scott

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 – existing project
Revenue cost code for the development costs	
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 (<i>terms agreed with Treasury Management</i>)							
Other (<i>eg: maintenance, utilities, etc</i>)							
Total Revenue Cost (A)			0	0			
Service area revenue benefits/savings							
Annual revenue income (<i>eg: rents, etc</i>)			0	0			
Total Revenue Income (B)			0	0			
Service area net (benefit) cost (B-A)			0	0			
Has the revenue cost been budgeted for or would this make a revenue pressure	No revenue cost – staff time funded by other projects.						
Which cost centre would the revenue pressure be shown		Has this been reviewed by the budget manager				Y/N	
Name of budget manager	Paul Elliott						

Loan value	£	Interest Rate	%	Term Years	Annual Repayment	£
Revenue code for annual repayments						
Service area or corporate borrowing						
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
	00/00/2020	v 1.0		00/00/2020
	00/00/2020	v 2.0		00/00/2020

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates £300,000 of Top-up for the project into the Capital Programme funded by the Build Back Better Fund grant
- Delegate authority to the Service Director for Strategic Planning & Infrastructure to spend the Build Back Better Grant and enter into further agreements in relation to it.

Cllr Sue Dann, Portfolio]		Anthony Payne Service Director	
Either email dated:	18.01.21	Either email dated:	18.01.21
Or signed:		Signed:	
Date:		Date:	
		Service Director	
		[Name, department]	
Either email dated:		Either email dated:	date
Signed:		Signed:	
Date:		Date:	