

Greater Manchester Combined Authority

Date: 28 July 2023

Subject: GM Local Energy Advice Demonstrator Project

Report of: Councillor Tom Ross, Portfolio Lead for Green City-Region and Harry Catherall Portfolio Lead Chief Executive for Green City-Region

Purpose of Report

This paper provides background information on the national £20 million Domestic Local Energy Advice Demonstrator Projects funding, provided via the Northwest Net Zero Hub, and the opportunity this presents to the Greater Manchester city-region and all districts.

The purpose of the paper is to seek GMCA approval to sign a Grant Funding Agreement with the Department for Energy Security and Net Zero (DESNZ) to receive grant funding for up to £2.1m for a Domestic Local Energy Advice Demonstrator (LEAD) Project, which will provide the opportunity for ~24,000 GM residents to be provided with in-person energy saving advice.

Recommendations:

The GMCA is requested to:

1. Note the forthcoming opportunity presented by the LEAD funding.
2. Approve the proposed approach, with GMCA acting as the accountable body for the LEAD programme.
3. Delegate authority to GMCA Treasurer and GMCA Solicitor & Monitoring Officer, in consultation with the Lead Portfolio Lead for Green City Region to:
 - i. Sign a grant funding agreement with the DESNZ to receive grant funding for a GM LEAD project up to £2.14m
 - ii. Expend the awarded grant funds by defrayed agreements via the funding partners i.e., 3 Local Authorities, 2 Social Enterprises, 2 private business and a cooperative.

Contact Officers

Mark Atherton mark.atherton@greatermanchester-ca.gov.uk

Sean Owen sean.owen@greatermanchester-ca.gov.uk

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

The GMCA is requested to: note the forthcoming opportunity presented by LEAD funding, approve the proposed approach with GMCA acting as the accountable body or the LEAD programme and delegate authority to GMCA Treasurer and Solicitor, in consultation with the Lead Portfolio Holder to sign a grant funding agreement with the DESNZ and expend the awarded grant funds by defrayed agreements. The Decision Support Tool outcome shows a clear positive benefit to the project and where outcomes are not green, they are in areas directly focussed on by this project i.e. home energy efficiency

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	The project targets hard to reach individuals and hard to treat homes Community and place based engagement forms a key strand of the programme
Health	G	By making homes warmer it will improve physical and mental health
Resilience and Adaptation	G	The project will directly reduce carbon emissions from GM homes the 2nd largest source of emissions By reducing energy costs in the homes of residents in vulnerable circumstances it will directly address this Only indirectly by mitigating climate change impacts
Housing		This project will provide home retrofit advice and signpost to source of help to install the measures. It can be used though to support MEES enforcement for the PRS Sector
Economy	G	Unlocking the potential of the GM Retrofit Market will provide significant economic opportunities. The retrofit market will require thousands of people to upskill, retrain or enter the market providing long term good quality jobs This is a demonstrator project in which innovation is key The demand for retrofit measures and wider low carbon technologies will require local production in the medium term as such it offers potential interest to FDI
Mobility and Connectivity		
Carbon, Nature and Environment	G	By reducing heating demand it will reduce both CO2 and NOX emissions from local communities as less gas will be burnt. The primary purpose of the programme is to reduce carbon emissions from domestic heating
Consumption and Production	G	The retrofit project as a fabric first approach will reduce energy resources
Contribution to achieving the GM Carbon Neutral 2038 target		The primary aim of this project is to support residents to reduce their carbon emissions by improving the energy efficiency of their homes, and replacing their heating systems with renewable ones. To improve the impact of this project further it would need to be either bigger in scale, increase incentives for the uptake of action beyond the existing ECO4Flex and YHB offers.

Further Assessment(s):

Equalities Impact Assessment and Carbon Assessment

G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR Negative impacts overall.
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Carbon Assessment

Overall Score		
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance		The service will be open to residents regardless of the EPC rating of their property. If residents choose to take this as an option. The extent of retrofit work will be determined by the residents or the scheme.
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	

No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.
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Risk Management

The risks of this programme are relatively low and relate to not achieving the required outputs for the funding received. A Project Manager will be appointed to run the programme and the Programme will be subject to robust project management processes.

Legal Considerations

The contents of this submission will require entering into binding legal contracts with the funder, DESNZ, and back-to-back grant agreements with the benefiting partner organisations. As such, the paper highlights any risks and will seek legal advice when appropriate prior to any form of contracting.

Financial Consequences – Revenue

There are no financial consequences for GMCA revenue budgets, as fully funded provision will be provided within the application process.

Financial Consequences – Capital

There are no current financial consequences for GMCA capital budgets, as all funded capital expenditure will be via defrayed funds to the partner organisations only.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

N/A

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? **No**

GM Transport Committee

N/A

Overview and Scrutiny Committee

Summer 2023

1. Introduction/Background

- 1.1. Climate Change is the biggest challenge we have ever faced; it needs action at all levels of society from global to the very local. The science is clear, we need to reduce our greenhouse gas emissions drastically and rapidly if we are to keep global temperatures within safe limits.
- 1.2. For Greater Manchester to achieve our target of carbon neutrality by 2038, we need to prioritise the decarbonisation of heat which, at 2.8mtCO_{2e} per annum, is one of our single biggest sources of carbon emissions.
- 1.3. By 2030, our headline objective is to have reached an average of 61,000 domestic properties being retrofitted per year, with the aim to reach an average of Energy Performance Certificate Rating C.
- 1.4. The Domestic Local Energy Advice Demonstrator Project is a funding competition launched by the Government, via the Northwest Net Zero Hub, on 17th March 2023.
- 1.5. The programme will provide funding of up to £2.14m to individual projects that can be delivered over the 2023-2024 and 2024-2025 financial years. The aim of the local energy advice pilots is to test various approaches to delivering in-person energy advice to citizens, with a particular focus on harder-to-treat properties and hard to engage consumer groups.
- 1.6. The pilots form part of the multi-channel home energy advice service being developed by DESNZ which also includes a new energy retrofit advice service on GOV.UK to help people better understand how to make energy efficiency improvements to their home, and the upcoming launch of a free retrofit phonenumber service.

2. GM Local Energy Advice Demonstrator Project

- 2.1. GMCA has coordinated a bid to the LEAD programme and has been successful in the award of ~£1.9m grant funding with an additional £200,000 match funding.
- 2.2. The programme would require works to commence from July 2023, subject to final ministerial sign off, and continue operating until the end of March 2025.
- 2.3. GMCA would act as the accountable and reporting body to the funder (DESNZ through the Northwest Net Zero Hub) which, in practice, would operate in a similar fashion to the current Social Housing Decarbonisation Fund (SHDF) programmes.
- 2.4. GMCA would contract with DESNZ and then, via back-to-back agreements, contract with the respective partner organisations.
- 2.5. The funding would be spent on a range of activities, including but not limited to: running events, direct staffing costs, home retrofit assessments, marketing materials, retrofit advisor training, research into how best to engage with residents on this topic, IT equipment, and web development including the expansion of the existing ECO4 portal to incorporate all applicable grant schemes.

3. Opportunities/risks

3.1. The key opportunities include:

- 3.1.1. Potential to mitigate the cost-of-living crisis being felt by some of our most fuel poor residents;
- 3.1.2. Potential to reduce greenhouse gas emissions from one of the largest emitting sectors in GM;
- 3.1.3. Grant funding of £1.9m to provide in person energy advice to ~24,000 GM residents;
- 3.1.4. Opportunity to link this retrofit delivery programme to employment initiatives;
- 3.1.5. The potential for this service to become the central method of delivery for retrofit once single-settlement funding for this area is allocated in 2025 as part of the Trailblazer Devolution deal.

3.2. The key risks include:

- 3.2.1. Insufficient capacity to deliver both internally and externally, in the form of officers and or supply chain;

3.2.2. The supporting technology and service for the advice does not function as intended, causing reputational harm and delays the speed of retrofit action;

3.2.3. If GM does not provide this service, then it may hamper our ability to deliver devolved funding for retrofit as part of the Trailblazer Devolution deal

4. Financial Implications

4.1 GMCA has been allocated administrative funding as part of the grant award to ensure programme management and coordination is sufficiently funded. There will not therefore be any impact on GMCA revenue budgets.

5. Recommendations

The GMCA is requested to:

5.1. Note the forthcoming opportunity presented by the LEAD funding;

5.2. Approve the proposed approach, with GMCA acting as the accountable body for the LEAD programme;

5.3. Delegate authority to GMCA Treasurer and Solicitor, in consultation with the Lead Portfolio Holder to:

5.3.1. Sign a grant funding agreement with the DESNZ to receive grant funding for a GM LEAD project up to £2.14m; and

5.3.2. Expend the awarded grant funds by defrayed agreements via the funding partners i.e., 3 Local Authorities, 2 Social Enterprises, 2 private business and a cooperative.