

**Decision to be taken by the Portfolio Holder for Finance, Improvement and IT on, or after, 21<sup>st</sup> December 2012**

**Bid to the Department for the Environment and Climate Change (DECC) to secure Funding to reduce fuel poverty in Warwickshire – Request to add to the Capital Programme**

**Recommendations**

1. That the Portfolio Holder for Finance, Improvement and IT approves that if the bid for Fuel Poverty & Green Deal funding to DECC is successful then the value received is added to the capital programme for Sustainable Communities.

**1.0 Background**

- 1.1 Warwickshire County Council (WCC), with the Coventry & Warwickshire Local Enterprise Partnership (LEP), has formed a partnership with Rugby Borough Council (RBC), Renewable Energy Technology Alliance (RETA), a local consortium of SMEs supported by WCC and Coventry City Council (CCC) and Sustainable Action Partnership – West Midlands (SHAP) with links to Public Health and Affordable Warmth.
- 1.2 This partnership has been working towards a coordinated approach to addressing fuel poverty in Warwickshire, including putting a submission to DECC for funding to kick start the initiative.
- 1.3 DECC launched a formal competition for local authorities to bid for part of a £25m pot to trial Fuel Poverty initiatives and an additional £10m for Green Deal in October 2012 and has stipulated that local authorities are required to be the accountable body, drawing down monies from DECC upon receipt of invoices once work has been completed.
- 1.5 Approval for WCC to become the accountable body for this potential work and to submit the bid for the funding was approved by the PH for Sustainable Communities on 26<sup>th</sup> November 2012.

**2.0 Delivery Plan and Capital Implications**

- 2.1 WCC is applying for up to £400k of capital funding from the Fuel Poverty Fund, and a further £20k of revenue from the Green Deal Pioneer Places Fund. The £400k is to target up to 50 rural households within the County with some of the highest levels of fuel poverty and to install energy saving measures that will decrease house holders fuel bills and ultimately contribute to improving quality of life. This target will be subject to agreement from individual homeowners and depend on the types of measures that are

required. The £20k revenue will contribute towards the development of a web portal to enable information and learning to be shared about the process and payback of the measures.

- 2.2 WCC will not receive any of the funding as a lump sum but DECC will pay the grant in stages on receipt of monthly invoices from WCC.
- 2.4 If our bid is successful then we will not receive a lump sum but we are expected to invoice DECC monthly from Jan-March 2013 to receive payment for the installation works completed. As this transaction will be passing through the WCC financial system we need to have the maximum value of the transactions (£400k) added to the capital programme.
- 2.5 The intention is for the £400,000 to be used for capital expenditure towards the cost of energy efficiency measures such as insulation, heating systems and improved control systems as well as a contribution towards the delivery costs of the project. The assets improved or purchased with the grant will not belong to Warwickshire County Council and the future maintenance liabilities will sit with the household where the measures have been installed.

### **3.0 Timescales associated with the decision and next steps**

- 3.1 The deadline for submission of the bid to DECC was 30<sup>th</sup> November and successful bidders will receive confirmation in early January 2013.
- 3.2 The risk to WCC is considered to be low as invoices are submitted monthly to DECC and the outcomes are instant and easily verified. The Portfolio Holder for Finance, Improvement and IT is therefore asked to approve the addition of up to £400k to the capital programme if this bid to DECC is successful.
- 3.3 If the bid is successful then DECC will issue the specific terms and conditions with the grant letter. These will be subjected to legal review once received.

### **Background papers**

- 1. DECC Local Authority Funds Guidance Notes - <http://www.decc.gov.uk/assets/decc/11/funding-support/fund-opportunities/6712-local-authority-competition-fund-application-pack.pdf>
- 2. Bid to the Department for the Environment and Climate Change (DECC) to secure Funding to reduce fuel poverty in Warwickshire – Request to become the Accountable Body - Portfolio Holder Decision Making 23<sup>rd</sup> November 2012

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