

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3184

Title: Cost of Living Support – Energy Advice London grant extension

Executive Summary:

This Mayoral Decision (MD) seeks approval for the expenditure of up to £278,500 to extend the duration of the operation of Energy Advice London service until 31 May 2024 in support of Londoners in financial difficulty and to award a grant to the Energy Saving Trust to deliver this service.

Decision:

That the Mayor approves the expenditure of up to £278,500 in grant funding to Energy Saving Trust to extend the duration of the operation of Energy Advice London until 31 May 2024.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

31/1/24

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor wants to make London a zero-carbon city by 2030, whilst protecting the most disadvantaged Londoners by tackling fuel poverty. This is a stretching ambition given the scale of fuel poverty and the low take-up of energy-efficiency measures. Tackling fuel poverty is key to London's recovery from the COVID-19 pandemic and works to achieve two of the London Recovery Programme's priority missions: A Green New Deal and a Robust Safety Net.
- 1.2 In 2020 there were 471,000 households living in fuel poverty in London, which equates to 13.2 per cent of all households. The Mayor has set out his programme of actions to address fuel poverty in London (consistent with his powers) in his Fuel Poverty Action Plan.
- 1.3 Low-income Londoners are facing a cost-of-living crisis, with the economic scarring caused by the COVID-19 pandemic exacerbated by rising energy prices, tax increases and rising inflation. Since October 2020 the price cap on energy bills has risen by 76 per cent and will rise yet further in January 2024. With inflation running at almost seven per cent, many Londoners, not just the most vulnerable, are struggling to make ends meet.
- 1.4 The Warmer Homes Advice Service was established in 2018 and has reached over 21,000 households across all London boroughs, but it does not have the capacity to deliver a single energy advice service at the scale required to meet Londoners' needs during this cost-of-living crisis.
- 1.5 MD2991 provided funding for a programme of work in 2022-23 to support Londoners with the rising cost of living. Alongside funding for the Cost-of-Living Hub, Citizens Advice Bureau and law centres, delegation was granted to the Executive Director of Good Growth to approve the expenditure of £790,000 on work to support Londoners experiencing, or at risk of, fuel poverty. This delegation was exercised through Director Decision form DD2588 and led to the launch of the Energy Advice London service, delivered on behalf of the GLA by the Energy Saving Trust.
- 1.6 Energy Advice London has supported Londoners through the cost-of-living crisis through advice on:
 - how to save on energy costs and stay warm at home
 - financial support available for energy-efficiency measures, specifically the Mayor's £43m Warmer Homes programme, the Energy Company Obligation (ECO), Solar Together London, and the government's £450m Boiler Upgrade Scheme
 - energy and water bill discounts such as the Warm Home Discount and WaterSure schemes
 - energy-efficiency measures such as renewables, insulation and heating improvements
 - the routes available to private tenants to improve the energy-efficiency of their homes
 - sources of more in-depth help such as the Warmer Homes Advice Service.
- 1.7 The Energy Saving Trust (EST) was established by the UK Government and energy companies following the 1992 United Nations Earth Summit. It is a company limited by guarantee, without share capital, registered in England and Wales. This ensures that its profits are retained for investment in their overall objectives. The EST has thirty years of experience providing energy advice to households. As well as Energy Advice London, it provides similar services in Scotland and Wales.
- 1.8 In 2022, the EST provided the GLA with a detailed proposal for a service to provide energy advice in London via inbound and outbound telephone calls, with web content to provide self-serve digital information and advice for people online, and a point of engagement for consumers and households. This aimed to address the current cost of living crisis and in particular the steep rise in energy prices

by providing advice and information on how to reduce energy bills and access funding for energy efficiency improvements.

- 1.9 Under cover of MD2991 and subsequently DD2588, £790,000 was granted to fund the running of this service, launched as Energy Advice London, from mid-November 2022 to mid-November 2023.
- 1.10 The EST has now provided the GLA with a proposal to continue its service. The contract with EST was due to end but given the cost of living crisis and government funding for advice services being insufficient it is proposed that the Mayor extends the contract to continue to help Londoner facing high energy bills.
- 1.11 This MD form therefore requests that a grant be awarded to the Energy Saving Trust to continue to deliver Energy Advice London until 31 May 2024 on the basis that:
 - it has successfully provided Energy Advice London for the past year, supporting over 14,000 households to date
 - it has experience of providing advice and fuel poverty programmes for the Scottish Government (Home Energy Scotland) and Welsh Government (North/Nest) and existing relationships with Citizens Advice, energy suppliers, the Money Advice Service and water suppliers
 - it has existing relationships with London boroughs through its involvement with the provision of Local Authority Delivery (LAD) funded retrofit projects in several boroughs and is familiar with local authorities through delivery across the UK.
- 1.12 The Greater London Authority will not benefit from the service and all the work carried out by the Energy Saving Trust will be provided to and for residents within Greater London.

2 Objectives and expected outcomes

- 2.1 The first in over a decade, London's dedicated energy advice service has proven to be a significant resource for Londoners. In this next period, based on experience over the past year we anticipate:
 - around 6,000 households will visit the website
 - around 1,000 households will be supported by telephone or email
 - over 124,000 positive social media engagements will be made
 - increased uptake of available warmer homes grants amongst fuel poor Londoners
 - improved understanding of energy efficiency and household renewable energy amongst Londoners
 - lower energy bills and reduced carbon emissions.
- 2.2 Payment will be made in instalments and against performance against KPIs.

3 Equality comments

- 3.1 Many groups of Londoners with protected characteristics are disproportionately likely to experience financial hardship which makes them particularly vulnerable to rising living costs. For example:
 - the poverty rate amongst households with a disabled person living in it is 35 per cent

- compared to 25 per cent of non-disabled households
- children in families with a disabled member are more than twice as likely to experience low income and material deprivation (20 per cent) than children in families where no one is disabled (eight per cent)
- 38 per cent of Black, Asian or Minority Ethnic Londoners are in poverty compared to 21 per cent of White Londoners
- 19.1 per cent of households with an ethnic minority as the household reference person (HRP) are in fuel poverty, compared to 12.6 per cent of households with a White HRP
- older Londoners and households with a disabled person living in it are also disproportionately likely to experience fuel poverty, due to having higher energy requirements
- London-based single parents, disabled Londoners and Black Londoners are more likely to experience low or very low food security
- migrant Londoners - especially those with no recourse to public funds - face a particularly high risk of destitution.

3.2 Whilst the programme of work set out above will be of benefit to all Londoners, it has been specifically designed to ensure that it provides support to Londoners with protected characteristics. For example:

- One of the primary goals of the work to improve and design new digital resources and tools is to make them more accessible to Londoners with complex needs. This is likely to benefit some Deaf and disabled Londoners; Londoners with long-term health conditions; older Londoners; or Londoners with English as a second or other language.
- The investment in community and outreach-based advice services will provide an effective support option for less digitally capable Londoners, or those with more complex needs that cannot be served via digital signposting to self-help resources.
- Supporting the development of partnerships between community organisations and advice services will provide support to Londoners who face barriers in accessing advice. This is particularly relevant to Deaf and disabled Londoners; Black, Asian and Minority Ethnic Londoners; younger Londoners; and migrant Londoners.

4 Other considerations

Links to Mayoral strategies and priorities

4.1 Relevant London Environment Strategy policy proposals:

- Proposal 6.1.2.a: The Mayor will work with partners to help alleviate fuel poverty in London through implementing the recommendations of the Fuel Poverty Action Plan.
- Proposal 6.1.1b: Pilot innovative methods to implement the stronger energy-efficiency retrofitting needed.
- Proposal 6.1.1a: Contribute to helping Londoners improve the energy-efficiency of their homes, where appropriate, by providing technical assistance, support and funding.

4.2 Relevant Fuel Poverty Action Plan actions are:

- implement a programme to help Londoners, particularly the long-term ill and disabled, through ensuring that they are getting access to all of the income support they are entitled to, including Benefit Entitlement Checks
- provide a Fuel Poverty Support Fund of up to £500,000 over four years (2017-18 to 2020-21) to support the rollout of local advice and referral networks, including home-visiting services, as a way of helping to improve the living conditions of fuel-poor households
- improve identification of vulnerable energy and water consumers and ensure that they are aware of support available to them
- support the rolling-out of existing local authority and community advice and referral networks, as a way of helping to improve the living conditions of fuel-poor households.

4.3 The relevant Equality, Diversity & Inclusion Strategy objective is Strategic Objective 6 – to address the specific barriers faced by those groups of Londoners most likely to experience financial hardship, helping them understand and access their entitlements and available support.

4.4 The relevant Health Inequalities Strategy objective is: through the Mayor's London Food Strategy and Fuel Poverty Action plan, work with partners to tackle food poverty and fuel poverty and their impacts on vulnerable Londoners.

4.5 Relevant recovery missions are:

- A Robust Safety Net – the pandemic has impacted on Londoners' incomes and household bills and support from the new energy advice service will help to relieve hardship
- A Green New Deal – Londoners living in fuel poverty are more likely to experience cold, damp homes; the new energy advice service supports them to use energy more efficiently and access funding for heating and insulation improvements.

Governance

4.6 The management of the funded provider will be carried out by the Energy Unit within existing resource, and support will be provided by the Communities Team.

Key risks and issues

4.7 The key risks and issues are as follows:

Risk/issues	RAG	Mitigation
The scale of the cost-of-living pressures Londoners are facing may limit the impact of this programme of work.		Awareness-raising activity and the delivery of advice interventions will be flexible and targeted at the communities with the most acute needs, to maximise their impact.
Despite funding increased capacity in the advice sector, advice services may continue to be overwhelmed.		Training and qualifications of the advisors will increase the number of Londoners who can be helped and improve the quality of referrals to expert advice services. Digital tools/resources will increase the number of Londoners who can self-serve and deal with simple queries themselves.

Information on the Cost of Living Hub could become outdated.		Officers will monitor key changes to funding pots and schemes, and periodically update the hub when appropriate.
Information provided digitally is inaccessible to Londoners who do not have the necessary digital skills to navigate them.		The provision of face-to-face advice and outreach events serves to pick up cases where Londoners cannot self-serve via digital resources and tools. This also contains provisions for those with language barriers, and referrals for those for whom complex cases mean that generalised advice is not suitable for their needs.

Conflicts of interest

- 4.8 There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

Subsidy control

- 4.9 As set out above, The Energy Saving Trust (the "EST") was established by the UK Government and energy companies following the 1992 United Nations Earth Summit in Rio de Janeiro. It is a company limited by guarantee, without share capital, registered in England and Wales. As a "profit for purpose" organisation its profits are retained for investment in their overall objectives.
- 4.10 In accordance with the Subsidy Control Act 2022, the proposed grant has been assessed in accordance with the four-limbed test. Following the assessment, it was determined that the proposed grant did not meet limb B of the four-limbed test. To that end, the proposed grant does not amount to a subsidy. More specifically, the grant does not meet the conditions for Limb B, because the Energy Saving Trust is not acting as an enterprise. To that end, it does not charge for the advice. Instead, the advice is provided free-of-charge to Londoners. Moreover, the Energy Saving Trust is company limited by guarantee, registered in England and Wales, without share capital.
- 4.11 For the sake of completeness, the following commentary addresses the seven subsidy control principles. The specific policy objective of the proposed grant to the EST is to address the current cost of living crisis and in particular the steep rise in energy prices by providing advice and information on how to reduce energy bills and access funding for energy efficiency improvements.
- 4.12 Large numbers of London households are expected to be detrimentally affected by the increases in energy prices. This grant represents a proportionate response and is limited to the provision of advice and support with domestic energy efficiency. This service will continue to support a further 700 homes and will be principally marketed at those on low incomes struggling most with the cost of living.
- 4.13 The grant will enable the EST to operate an energy advice service for Londoners. The Energy Saving Trust approached the GLA with its proposal for the advice service, which would not operate without the provision of a grant to the EST.
- 4.14 The proposed advice service is aimed principally at low-income households who cannot typically pay for energy advice.
- 4.15 There is no domestic or international commercial market for such energy advice. Moreover, the Scottish and Welsh Governments are already grant funding similar projects to address this market failure in their respective nations.

5 Financial comments

- 5.1 Approval is requested for expenditure of up to £278,500 in grant funding to Energy Saving Trust to extend the duration of the operation of Energy Advice London until 31 May 2024.
- 5.2 Under cover of MD2991 and subsequently DD2588, £790,000 was granted to fund the running of Energy Advice London from mid-November 2022 to mid-November 2023.
- 5.3 This further grant funding of £278,500 extends the duration of the service to the end of May 2024.
- 5.4 The expected profile of the expenditure is approximately £200,000 in 2023-24 and £78,500 in 2024-25 financial year.
- 5.5 For 2023-24, this expenditure will be funded by the Cost of Living Programme budget within the Community and Skills Directorate. A budget adjustment will be processed to transfer £200,000 across to the Warmer Homes Revenue budget within the Environment Unit.
- 5.6 For 2024-25, this expenditure will be funded from the Warmer Homes Revenue budget, subject to formal approval as part of the Mayor's budget setting process. Should there be insufficient funding following confirmation of the budget, then this will need to be met from within the wider Environment Unit budget. Break clauses will be included in any contracts should a future Mayor not wish to continue the programme post-election.
- 5.7 All relevant budget adjustments will be made.

6 Legal comments

Power to undertake the requested decisions

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the Authority's general powers and fall within the Authority's statutory power to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of the improvement of the environment and social development within Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies.
- 6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

Grant funding

- 6.3 The proposed grant of up to £278,500 to the Energy Saving Trust may be viewed as a conditional gift rather than a contract for services and supplies. As set out in paragraphs 1.9 to 1.14, above, the project is the idea and initiative of the Energy Saving Trust and the benefit of the project will inure to

third parties; namely Londoners seek advice on how to save energy. Officers are reminded to ensure that an appropriate funding agreement be put in place between the Authority and the Energy Saving Trust before any part of the funding is paid.

Subsidy control

- 6.4 The Subsidy Control Act 2022 (the “SC Act”) requires that grant funding be assessed in relation to its four-limbed test. The officers have made this assessment at paragraphs 4.9 to 4.10, above, and have concluded that the proposed funding does not amount to a subsidy for the purposes of the SC Act.

7 Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	November 2023
Delivery start date	November 2023
Delivery end date	31 May 2024

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Paul Youngman has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Shirley Rodrigues has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board


This decision was agreed by the Corporate Investment Board on 4 December 2023.

✓

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

30/01/2024

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature:



Date:

26/01/2024

