

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2591

**Title: Release of Warmer Homes £716,000 marketing expenditure**

### Executive Summary:

The Warmer Homes Programme has received £40.2m funding from Business, Energy and Industrial Strategy, where MD2900 provided the delegated authority to the GLA to receive the funds, and where MD3010 approves £2.6m Mayoral funding to support the programme.

The purpose of MD3010 was to enable the release of funding to support the GLA 's Warmer Homes programme. MD3010, Clause 1.20 states:

Under MD3010, the Mayor approved expenditure of up to £716,000 of Sustainable Warmth funding on marketing & engagement activities. In that MD, a delegation was granted to the **Assistant Director for Environment and Energy**, in consultation with the Mayoral Director, Communications, to approve all such marketing initiative proposals, and to repurpose any underspend in this element into additional works in homes.

Pursuant to that delegation approval is now sought to approve the allocation of a marketing budget of up to £600,000 for borough marketing (calculated on the basis of £30,000 each to a maximum of 20 participating boroughs); and the remainder (£116,000 or more), plus any unused borough marketing funds, to GLA directed marketing initiatives.

### Decision:

That the Assistant Director of Environment and Energy approves, under the delegation provided by MD3010 to approve specific proposals, expenditure of up to £716,000 to:

- i. allocate up to £600,000 for borough marketing of the Warmer Homes programme, based on a maximum of 20 boroughs receiving up to £30,000 each
- ii. make available £116,000 for GLA marketing initiatives to promote the Warmer Homes programme throughout London.
- iii. enable any borough marketing underspend to be allocated to GLA Warmer Homes marketing and promotion.

### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Philip Graham (on behalf of Catherine Barber)

**Position:** Executive Director, Good Growth.

**Signature:**

**Date:**

10/8/22



## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 The Mayor wants to make London a zero-carbon city by 2030, while at the same time protecting the most disadvantaged by tackling fuel poverty. The COVID-19 pandemic has presented London with its most challenging period in recent history and missions to deliver a Green New Deal and a Robust Safety Net are central to London's recovery programme.
- 1.2 Low-income Londoners are facing an exceptionally challenging period, with the initial and ongoing impacts of coronavirus and the ongoing cost-of-living challenges exacerbated by rising energy prices. In April 2022 energy prices increased by 54 per cent. The Warmer Homes programme is focussing on immediate actions of making homes greener and warmer, reducing energy use and, therefore, lowering bills and cutting carbon. These actions will particularly help the most vulnerable Londoners who are disproportionately affected by the rising cost of living.
- 1.3 The government's Clean Growth Strategy sets out an aspiration for all fuel poor homes to be upgraded to Energy Performance Certificate (EPC) Band C by 2030 and for as many homes as possible to be EPC Band C by 2035 where practical, cost-effective, and affordable. The statutory fuel poverty target for England was set out in 2014 and it "is to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band C, by 2030". Sustainable Warmth: protecting vulnerable households in England was published in February 2021 and is the government's fuel poverty strategy, outlining steps towards this. The Mayor's Fuel Poverty Action Plan lays out actions to help achieve this target in London.
- 1.4 The GLA has received £40.24 million in funding from the BEIS Sustainable Warmth Scheme to upgrade energy inefficient homes of low-income households in London. The projects will complete by March 2023. The scheme consists of 2 funding streams: Local Authority Delivery Phase 3 to support low-income households heated by mains gas and Home Upgrade Grant Phase 1 for low-income households that are off the gas grid. To be eligible for funding households must have an income of below £20,000 per annum after tax, national insurance, and housing costs, and have an EPC rating of D or below. The number of homes that can start with an EPC rating of D is capped at 30% of all households installed with a measure with funding from the scheme. The key outputs of the programme are:
  - 3,205 low-income households supported. These households will benefit from a range of energy efficiency measures such as solid wall insulation, heat pumps, flat roof insulation, underfloor insulation, triple glazing, and solar photovoltaics.
  - Minimum annual fuel bill savings for Londoners of £903,000
  - Minimum annual CO2 savings of 3,493 tCO2
  - Minimum annual energy savings of 11,949,000 kWh
- 1.5 Under MD3010, the Mayor approved expenditure of up to £716,000 of Sustainable Warmth funding on marketing & engagement activities. In that MD, a delegation was granted to the Assistant Director for Environment and Energy, in consultation with the Mayoral Director, Communications, to approve all such marketing initiative proposals, and to repurpose any underspend in this element into additional works in homes. This ADD therefore sets out the specific initiatives it is proposed to fund from that spending envelope and confirms that

consultation with the Mayoral Director, Communications has taken place. The GLA marketing and communications team will be involved in the GLA direct marketing plans and will be consulted on individual borough plans.

- 1.6 To ensure GLA is reaching eligible households, the Warmer Homes team will use data to focus marketing and engagement activities where there is likely to be high conversion rate from application to retrofit completion.
- 1.7 The Warmer Homes team will engage with London boroughs to support them to develop their marketing plans to be submitted for approval, and to release funds to them through a GLA Funding Agreement.
- 1.8 Up to £600,000 grant funding is earmarked for borough marketing (calculated on the basis of up to £30,000 per borough provided to a maximum of 20 London boroughs) in accordance with the GLA's Contracts and Funding Code to support boroughs to support targeted and focussed communications to reach known possible residents who are likely to apply to the Warmer Homes programme. The GLA will review and approve all Borough plans prior to agreement to release funds, with Borough communications based on GLA provided templates.
- 1.9 London boroughs either have submitted plans which are approved, and awaiting funding, or are in the process of developing plans for approval. Merton and Kingston are ready to execute their GLA plans and seek funding to finance their execution.
- 1.10 At least £116,000, together with any unused funding from the borough marketing pot, is to be used to engage eligible Londoners directly by the GLA, to drive conversion to the scheme through an integrated comms campaign.
- 1.11 So far £46,000 has already been spent on producing and sending leaflets to 150,000 EPC D-G rated properties and a further 50,000 leaflets are being planned.

## **2. Objectives and expected outcomes**

- 2.1. Approval to release the £716,000 in full to enable the active promotion of the Warmer Homes programme through both London boroughs and GLA related marketing activities.
- 2.2. To enable the use of the borough underspend to support GLA London wide marketing initiatives.
- 2.3. Release of funding will enable focussed engagement with householders throughout London and will support GLA in reaching its time-limited target of retrofitting 3,205 households with funding from the Sustainable Warmth Scheme by March 2023.

## **3. Equality comments**

- 3.1. Under Section 149 of the Equality Act 2010, as a public authority, the GLA is subject to the public sector equality duty and must have due regard to the need to (i) eliminate unlawful discrimination, harassment, and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 4 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sex orientation, and marriage or civil partnership status (all except the last being "relevant" protected characteristics).

- 3.2. The GLA will take appropriate steps to ensure there are no potential negative impacts on those with protected characteristics in relation to the development, design, targeting, marketing, and delivery of the scheme. This will be done by ensuring compliance with the Mayor's Equality, Diversity and Inclusion Strategy and developing and testing in line with GLA guidance on equalities and diversity. Those with protected characteristics will gain from the positive benefits of this scheme in equal measure should their households be eligible, and there will be equality of access to participate in the delivery and benefit from the scheme, without discrimination.
- 3.3. The programme has been designed in line with the London Environment Strategy and the proposals in there were tested to ensure they had due regard to the public sector quality duty. The programme will target residents who are in or at risk of fuel poverty and homes with poor levels of energy efficiency, and it will aim to promote holistic, whole-house energy efficiency retrofits. The programme is therefore designed to advance equality of opportunity and support those who are particularly vulnerable, whether as a result of their protected characteristics or other factors, such as their health or personal circumstances. It is therefore expected that this scheme will have a positive impact on lower income and fuel poor households directly through the home refurbishments. Indirect benefits are also anticipated by catalysing greater awareness of energy use and the opportunities for people to reduce their energy consumption and bills, whilst still protecting their health.

#### 4. Other considerations

##### Links to mayoral strategies and priorities

- 4.1. Alongside its central role in delivering the Fuel Poverty Action Plan this proposal also aligns with relevant actions in the London Environment Strategy, Equality, Diversity & Inclusion Strategy and Health Inequalities Strategy.
- 4.2. Relevant recovery missions are:
- **A Robust Safety Net:** The pandemic has impacted on Londoners' incomes and household bills and support from the Warmer Homes Programme will help to relieve hardship.
  - **A Green New Deal:** Londoners living in fuel poverty are more likely to experience cold, damp homes and the Warmer Homes Programme supports access to funding for heating and insulation improvements.

##### Key risks and issues

- 4.3. Failure to receive approval would mean the Warmer Homes Team would be unable to promote the Warmer Homes programme throughout London, putting at risk the successful delivery of the programme. Furthermore, London boroughs have been informed that funding is available from the GLA to enable the execution of their approved marketing plans to promote the scheme to individuals on low incomes and those known to be experiencing fuel poverty and suffering as a result of the cost-of-living crisis.

##### Conflicts of interest

- 4.4. There are no known conflicts to declare regarding those involved in the drafting or clearance of this form.

## **5. Financial comments**

- 5.1. Approval is being sought for the allocation of the previously agreed budget of £716,000 (MD3010) for marketing and engagement activities for the Sustainable Warmth programme.
- 5.2. Up to £600,000 will be issued as grant funds to 20 London boroughs. Each borough will be permitted to apply for a maximum grant of up to £30,000. The majority of these funds will be issued retrospectively upon receipt of eligible evidence and documentation. In some cases, a small proportion of funding may be issued upfront, however this will be assessed on an individual basis and subject to clawback clauses within their grant agreement.
- 5.3. The balance of £116,000 will be utilised by the Authority for the marketing and promotion of the Warmer Homes programme. This will be further enhanced by an external contractor who are looking at plans to support the GLA in targeting London homeowners who can apply for retrofit works.
- 5.4. In the event where residual funds arise from the £716,000, these will be repurposed to the Warmer Homes programme
- 5.5. This expenditure will be funded by the income received from the Department of Business, Energy and Industrial Strategy and is currently held within the 2022-23 Environment and Energy Unit budget. This income must be spent by March 2023 therefore, the Authority will ensure all claims are submitted and approved before this deadline.

## **6. Legal comments**

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Assistant Director 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 in 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 Assistant Director 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, 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 Assistant Director should have particular regard to section 3 of this report.

- 6.3. The officers are reminded that they must adhere to the requirements of section 12 of the Authority's Contracts and Funding Code when distributing the funding. Furthermore, officers must ensure that appropriate funding agreements be put in place between and executed by the Authority and the recipients before any (a) commitment to fund it made; and (b) funding is paid to the recipient.

**7. Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Approval to release £716,000 for expenditure	Aug 2022
Release funds to boroughs where marketing plans are approved	Aug to Sept 2022
Execute Wavemaker marketing and comms plan	Aug 2022
Mail out from GLA	Aug 2022
Final evaluation start and finish (self)	April 2023

**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:**

John Garbett has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**Corporate Investment Board**

A summary of this decision was reviewed by the Corporate Investment Board on 8 August 2022

✓

**ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:**

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

**Signature**



**Date**

**11/8/22**