

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2588

Title: Pan-London energy advice service

Executive Summary:

This Director Decision (DD) seeks approval for the expenditure of £790,000 to establish and operate a pan-London energy advice service for a period of one year and to award a grant to the Energy Saving Trust to deliver this service. Authority to approve this has been delegated to the Executive Director of Good Growth by MD2991.

Decision:

That the Executive Director of Good Growth approves:

1. expenditure of £790,000 from the Cost of Living budget;
2. the award of a grant of £790,000 to the Energy Saving Trust to operate a pan-London energy advice service for one year.

AUTHORISING DIRECTOR: Niran Mothada on behalf of Philip Graham

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: Niran Mothada

Position: Executive Director, Strategy & Communications

Signature:



Date:

23/8/22

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, 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 Programmes priority missions: A Green New Deal and a Robust Safety Net.
- 1.2. In 2020 there were 404,000 households living in fuel poverty in London, which equates to 11.5 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 ongoing impacts of coronavirus exacerbated by rising energy prices, tax increases and rising inflation. Since October 2020 the price cap on energy bills has risen by 89 per cent and will almost certainly rise by a significant amount again in October 2022 with average annual household energy bills expected to reach £3,000. Alongside the ending of the uplift on Universal Credit and inflation running at over 6 per cent, many Londoners, not just the most vulnerable, are struggling with a cost-of-living crisis. GLA polling early in 2022 has shown that 32 per cent of Londoners have struggled to pay their household bills in the previous 6 months.
- 1.4. The Warmer Homes Advice Service was established in 2018 and has been operated by three boroughs together in that time, reaching 15,000 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 Bureaux and law centres, delegation was granted to the Executive Director of Good Growth to approve, through a further Director Decision form, the expenditure of £790,000 on work to support to support Londoners experiencing, or at risk of, fuel poverty.
- 1.6. This service will support 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; and their likely costs for Able to Pay households
 - 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 Warmer Homes Advice Service (funding for 2022/23 agreed through MD3010) will continue to be run by local borough advice services and provide more in-depth support to the most vulnerable households, including home energy visits, support with fuel and water debt, and applications to Warmer Homes and other funding. The new energy advice service will refer eligible households to the Warmer Homes Advice Service and to the other services such as Citizens Advice (funded by MD2991).
- 1.8 The Energy Saving Trust has provided the GLA with a detailed proposal outlining a service including telephone advice 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. The Energy Saving Trust is a reputable partner with thirty years of experience providing energy advice to households. It currently delivers similar energy advice services for the Scottish and Welsh Governments and timely mobilisation of the service will be possible due to its existing delivery models and best practice in Scotland and Wales.
- 1.9 Subject to the approval of this Director Decision, service design will commence immediately with a start date anticipated of mid-October. This will align with an expected large increase in the energy price cap and also with autumn temperatures bringing increased heating loads, and energy bills. A standalone website with joint Mayoral and Energy Saving Trust branding will be available at launch. A marketing plan will also be agreed with officers by August 2022.
- 1.10 This DD form requests that a grant is awarded to the Energy Saving Trust to deliver its proposal for a London energy advice service. Funding is proposed to Energy Saving Trust for the following reasons:
- It has experience of delivering advice and fuel poverty programmes for the Scottish Government (Home Energy Scotland) and Welsh Government (Nyth/Nest) and has the experience and infrastructure to set up and mobilise a best practice advice service for the GLA quickly, effectively, and cost-efficiently. In 2021/22 it advised 120,000 households in Scotland alone.
 - It has existing relationships with Citizens Advice, energy suppliers, the Money Advice Service and water suppliers.
 - It also has existing relationships with London boroughs through delivery of Local Authority Delivery (LAD) in several boroughs and is familiar with local authorities through delivery across the UK.
 - It is the only provider able to deliver at scale to the timescale required and has a wealth of existing materials (e.g. website, leaflets, social media content) that could be replicated with some edits for a London audience.
- 1.11 The Greater London Authority will not benefit from the service and all of 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 For the first time in a decade – since the closure of the national government-funded Energy Saving Trust Advice Centre - London will have a dedicated energy advice service accessible through one telephone number and website.
- around 10,000 households supported by telephone or email

- new energy advice website open to all Londoners
- increased uptake of 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.

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:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- 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 reassignment, 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 Those with protected characteristics will gain from the positive benefits of this scheme in equal measure, and there will be equality of access to participate in the delivery and benefit from the scheme, without discrimination.
- 3.3 BAME communities are almost 60 per cent more likely to be fuel-poor than White households; those with disabilities or long-term illnesses are 50 per cent more likely to be fuel-poor. The project team and provider will therefore particularly engage with BAME communities, and people with disabilities or long-term illness; they are currently working with the NHS to develop London-wide pathways for the latter. The Warmer Homes team, with support from the Communities team, will make particular efforts to reach these populations through engagement with partners, particularly those represented on the Fuel Poverty Partnership such as the NHS and Runnymede Trust. Marketing and communications will cater for London’s diverse population and Energy Saving Trust will adapt their current Home Energy Scotland leaflet, produced in 15 languages. Content, particularly visual, will embrace and reflect the diversity of London along lines of ethnicity, disability, age, sexuality, religion, and other characteristics.
- 3.4 Service users will be able to nominate a Third-Party contact to speak on their behalf, use Language Line for translation, alternative formats and live interpretation on calls, and Deaf Action to provide live three-way interpretation services by phone and video link.
- 3.5 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.

4. Other considerations

Links to Mayoral strategies

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 £500k 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 12: to work with government, businesses, transport providers, voluntary groups and all relevant partners to help ensure our approach to tackling fuel poverty and improving green spaces is inclusive.

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.

- 4.7 The service provider for the new energy advice will report to the Energy Unit on performance against KPIs (e.g., number of referrals, enquiry volumes, inbound and outbound telephone calls, and other contacts) on a monthly basis, including the advice provided and outcomes of referrals (where possible).

Key risks

Risk no.	Risk	Likelihood (1-4)	Consequence (1-4)	Rating	Mitigation
1	Commencing the service beyond the anticipated October date	2	4	8	This DD has been scheduled to meet the required timescale. The provider has assured us of a twelve-week implantation period from point of approval
2	Poor uptake of service	2	4	6	Contact volumes will be monitored. The provider has proposed a high-level marketing plan and both their and GLA's resources will be used to promote the service. EST have a number of customer service accreditations and extensive experience of running a similar service elsewhere in the UK.
3	Excessive demand for the service	2	3	6	Contact volumes will be monitored. Promotion will be scaled back if the service is overwhelmed
4	Excessive demand for other GLA provision such as Warmer Homes grant funding and the Warmer Homes Advice Service	1	2	2	The tight eligibility criteria set by government for household grant funding means that excess demand is likely, but it will be monitored, and the provider requested to advise on alternative provision.

Conflicts of interest

- 4.9 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

- 4.10 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. They are a company limited by guarantee, without share capital, registered in England and Wales. This ensures that their profits are retained for investment in their overall objectives.
- 4.11 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. With the typical annual energy bill expected to exceed £3,200 this autumn, up to 1.2 million London households are expected to face fuel poverty; some to a significant degree. This service will support 10,000 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 £790,000 is required to provide London with a dedicated energy advice service to help support Londoners through the cost-of-living crisis.
- 5.2 This service is initially expected to be in operation for a year and will be delivered by a grantee – the Energy Saving Trust. An appropriate contract will be drawn up accordingly in which key deliverables will be linked to quarterly payments and performance indicators.
- 5.3 The £790,000 proposed expenditure will be funded by the Cost-of-Living programme budget which is currently held within the Communities and Social Policy Unit (MD2991). If this decision is approved, the budget will be moved to the Energy and Environment budget which resides in the Good Growth directorate.
- 5.4 It is anticipated the expenditure will take place over two financial years in which £395,000 will be spent each year. The first year of expenditure can be funded from the 2022-23 budget allocation for the Communities and Social Policy Unit however as funding for the second year relates to 2023-24 - the budget for this financial year is yet to be confirmed. Therefore, if approved, this decision would constitute a pre-existing commitment against these budgets when the formal budget setting process is undertaken. As such all contracts will include break clauses to mitigate against the risk should these funds become unavailable.

- 5.5 Should this advice service continue beyond October 2023 a new funding source would need to be identified and subsequently a further decision will need to be sought.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the 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 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; 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 director should have particular regard to section 3 (above) of this report.
- 6.3 The proposed grant of up to £790,000 to the Energy Saving Trust ("EST") may be viewed as a conditional gift rather than a contract for services and supplies. As set out in paragraph 1.8 above, the proposal for the pan-London advice service came from EST itself. Furthermore, the proposed advice service would be provided to Londoners rather than to the Authority. Accordingly, the Authority may be viewed as funding the EST's own project rather than paying the EST to deliver the Authority's project. Section 12 of the Authority's Contracts and Funding Code provides that decisions to award grant funding should generally be made on the basis of the outcome of a transparent, competitive application process. To this end, the officers have set out in section 1 above how they have met that requirement.
- 6.4 The proposed grant to the EST exceeds the subsidy control threshold. To that end, it must comply with the subsidy control principles as set out in the EU-UK Trade and Cooperation Agreement 2020. As the officers have explained at paragraphs 4.10 to 4.13 above, the grant's policy objective is to address the cost of living crisis by enabling the EST to create an energy-related advice service. Furthermore, the officers go on to explain that there is neither a domestic nor an international market for energy advice aimed at low-income households. Finally, given the scale of the costs of living crisis in Greater London, the grant may be viewed as a proportionate response to meet the stated policy objective.
- 6.5 The officers must ensure that an appropriate funding agreement be put in place between the Authority and the EST before any part of the funding be paid.

7. Planned delivery approach and next steps

Activity	Timeline
Award of grant	August 2022
Announcement	October 2022
Delivery Start Date	October 2022
Delivery End Date	October 2023
Project Closure	October 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? YES

If YES, for what reason: MD2991 publication has been deferred to 31 October 2022

Until what date: 31 October 2022

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 Kolm-Murray has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Catherine Barber has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

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 22 August 2022

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

23/8/22