

## Appendix 1: YES Fuel Poverty Fund Principles

### Background

Your Energy Sussex is offering competitive, high-customer service tariffs to all residents of Sussex through a White Labelling arrangement with Robin Hood Energy.

The tariff will generate income which will be ring-fenced for energy projects within Sussex. This revenue will be received by the Contracting Authority (West Sussex County Council). This document sets out the principles for the use of this revenue for all partners.

### Revenue Projections

YES will receive £0.625 per meter per month in arrears. The total revenue is therefore dependent on customer numbers. Example levels of revenue generated by the tariff are given in Table 1.

Number of meters	Approx market share (%)	Annual income
5 000	0.37	£37 500
10 000	0.75	£75 000
15 000	1.12	£112 500
20 000	1.49	£150 000
25 000	1.87	£187 500

As an upper estimate, a 3% market share across of the **whole** of Sussex (approx 40 000 meters) would give £301 500 yearly.

### Revenue Usage principles

All revenue will be ring-fenced by WSCC for use by all partners of the tariff. It will **not** be a requirement to be either an affiliate or a strategic YES partner.

Where unspecified, all figures used will be the latest version available on 1 January of that year unless otherwise stated (i.e. 2018 revenue calculations shall be based on figures as at 1 January 2018).

The revenue will be apportioned as below, in order of preference:

#### 1. Cost Recovery

West Sussex County Council will recover their yearly costs relating to contract management and consultancy services required for the ongoing delivery of the project. This shall be reflective of the salary plus on-costs of 1xFTE project manager, plus any consultancy services used in the previous year.

The remaining revenue shall form the 'YES Fuel Poverty Fund'.

## **YES Fuel Poverty Fund**

A Supporting Partner Group shall be formed from partner authorities. Each partner will have one vote on the management of the YES Fuel Poverty Fund.

Supporting Partners will decide on any 'Group Projects' that are to be delivered using the fund. In general, it should be expected that Group Projects will to reduce fuel poverty across significant parts of Sussex, however in certain circumstances Supporting Partners may find it appropriate to focus on certain geographic areas (e.g. off-gas).

Examples of expenditure decided at a group level include:

- marketing activities
- tariff reductions
- a 'Sussex Warm Homes' discount (or other subsidy)
- support for energy efficiency/renewable energy measures (e.g. HHCRO top-up funding)
- additional staff
- support/commissioning of community groups/faith organisations etc to act on the partnership's behalf etc.

Any money left over after Group Projects will be made available to other organisations through Open Funding rounds.

### **2. Open Funding**

Twice yearly (or at the discretion of Supporting Partners) Supporting Partners will announce an Open Funding round. This will be administered on behalf of the group by West Sussex County Council.

All public, third and community sector organisations will be able to bid for Open Funding, limited to a maximum of £20 000 or 50% of the total fund per organisation, whichever is greater.

A bid template will be completed by each bidder and evaluated by Supporting Partners. Scoring criteria shall be set prior to each application round, but it is expected that in order to reward areas with higher uptake of the tariff there will be some points awarded on this basis.

It is expected that each project should be **additional** to what would have already occurred should the grant not have been award. No repayment will be required unless otherwise stipulated by the group upon award. Projects should expect to provide updates and be prepared to track the benefits realised.

### **3. Residual Funds**

The Residual Funds leftover after the above steps have been accounted for shall be rolled over into the following year's Fund.

#### **Project Funding**

Projects to be funded will demonstrably support energy and fuel poverty ambitions in Sussex.

It is expected that funded projects will achieve one or more of the outcomes identified in the Sussex Tariff tender documentation in at least one local authority area within Sussex. For clarity, these outcomes are:

- reduction in the number of householders in or at risk of fuel poverty;
- increase in households able to heat their house adequately
- help in meeting local carbon reduction and renewable energy targets;
- increased investment in local generation;
- the latest Smart metering technology for customers in advance of the national roll out by 2020;
- access to energy consumption and demographic data in order to identify and support further projects;
- increased effectiveness of targeting fuel poor households

#### **Governance**

A Chair shall be appointed by majority vote at the start of every calendar year. This should not be the YES project manager except in exceptional circumstances.

The release of YES Fuel Poverty Fund monies will be managed by the YES project manager, however as a shared fund it is expected that individual projects should be developed, championed and coordinated by willing Supporting Partners and not necessarily WSCC.

Every Supporting Partner shall have one vote and proxies will not be accepted without prior notification to the YES project manager. For the purposes of councils with joint officer structures, these shall be considered as one vote (i.e. Adur & Worthing councils are entitled to one vote between them).

In any tied vote or dispute, the Chair of this board will make the final decision.

#### **Frequency of Review**

It is expected that the Supporting Partners will meet quarterly to review progress and decide on any YES Fuel Poverty Fund projects. Every other meeting will include a financial update, with payments being processed afterwards. Project outcomes and benefits will be reported to and monitored by the project group on a yearly basis.

Supporting Partners may agree an amendment to these Fund Principles should at least four partners and a minimum of 75% of attendees at any meeting propose doing so.

### **Next Steps**

It is proposed that the Sussex Tariff Project Board confirms the adoption of these principles for the management of the revenue resulting from the Your Energy Sussex domestic offer.