

Subject: Green Deal – Home Energy Efficiency Investment Options

Date of Meeting: 24 January 2013

Report of: Strategic Director Place

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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to outline opportunities that may be presented by the Green Deal to meet key Council objectives and the potential of working with West Sussex County Council ('WSSCC'), and other local authorities in the region, to develop a model for delivery of both Green Deal and Energy Company Obligation ('ECO') investment for the benefit of local residents, businesses and the economy. The report seeks approval to sign a Memorandum of Understanding with WSSCC as the basis for further development of this partnership working. It also updates members on the Council's private sector renewal programme of £1.5m in 2012/13, investment of over £1m in home energy efficiency in 2011/12 and more recent progress in attracting investment and delivering home energy efficiency measures through securing new grants of over £750,000.
- 1.2 Tackling inequality and creating a more sustainable City are key priorities in the Council's Corporate Plan aligned to One Planet Living commitments. The Council is committed to improving the energy efficiency of the City's housing, reducing the cost of living at a time when energy prices continue to rise. The aim is to help households to access affordable energy efficiency measures, in particular people on low incomes. This will assist in tackling fuel poverty and contribute to reducing the City's carbon dioxide (CO₂) emissions. In addition, the Council is committed to contributing to the development of the One Planet approach to ensure Brighton & Hove will improve energy security, become more resilient to shortages and price increases in energy and other resources and take opportunities for growth in environmental sector jobs.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee note the successful grant funding bids set out in paragraphs 3.3 and 3.4.
- 2.2 That Policy & Resources Committee note the options and opportunities presented by the Green Deal and Energy Company Obligation to meet key objectives in Brighton & Hove and the potential to work with West Sussex County Council, and other local authorities in the region, to develop a model

that delivers both Green Deal and ECO opportunities for the benefit of local residents, businesses and the economy.

- 2.3 That Policy & Resources Committee delegate authority to the Strategic Director, Place to sign the 'Memorandum of Understanding' with West Sussex County Council as a potential investor in their Green Deal scheme (attached as Appendix 3).
- 2.4 That Policy & Resources Committee note that any final decision on entering contractual obligations with a Green Deal provider will be the subject of a further report to this Committee following a procurement process that will run throughout 2013.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Homes contribute the most significant source of carbon dioxide in the City at 42% of Brighton & Hove's measured carbon footprint, or 514,000 tonnes per year, compared to 31% nationally. 35% of the private sector housing stock fails to meet the decent homes standard, significantly higher than the national average, largely driven by poor standards of thermal comfort arising from age and nature of housing in the City hindering energy efficiency. Fuel poverty rose to 13.5% in Brighton & Hove in 2010, higher than the South East average. The Joint Strategic Needs Assessment identifies the relationship between poor housing and poor health outcomes, in particular fuel poverty and poor thermal comfort. Director of Public Health Annual Report has identified good quality housing as important for building wellbeing and resilience and housing in the City as an area representing a particular vulnerability.

Recent progress

- 3.2 The Council has a strong background in delivering private sector housing renewal investment. During 2011/12 investment of £1,119,562 combined with Carbon Emissions Reduction Target (CERT) & Warm Homes Healthy People funding enabled delivery of 578 home energy efficiency measures achieving a saving of 353 tonnes of carbon dioxide. Following the end of Government grant funding for private sector housing renewal the Council has continued to support a housing renewal programme, including home energy efficiency measures. For 2012/13, £1.5 million has been allocated within Council capital funds for a housing renewal programme financed through unsupported borrowing, of which £500,000 is currently identified for energy efficiency assistance. With the end of the Government private sector housing renewal programme and the current energy company obligations (including CERT and Community Energy Savings Programme) planned to finish at the end of 2012, it is essential that the Council finds alternative sources of external funding to sustain investment in the City's housing stock.
- 3.3 Following a bid in partnership with NHS Brighton and Hove and the local voluntary and community sector under the 2012/13 Warm Homes Health People Programme the Council has achieved Department of Health funding of £122,314 to deliver a range of measures including: Advice and assessment visits; Financial inclusion checks; Winter Home Checks; Warm Packs; and small grants. (More details are in Appendix 1.)

3.4 The Council has also recently been informed of a successful funding bid under Department of Energy & Climate Change Local Authority Competition 2012/13 (more details are in Appendix 1) broken down as follows:

- Fuel Poverty – a joint bid with Eastbourne Borough Council achieved £378,600 of capital funding (£266,600 for Brighton & Hove and £112,000 for Eastbourne Borough Council) £31,500 of programme funding (£21,000 for Brighton & Hove & 10,500 for Eastbourne), totalling £410,100;
- Green Deal Pioneer Places (developed in collaboration with community groups) – £120,000 of capital funding and £101,000 of programme funding, totalling £221,000.

3.5 This progress will contribute toward our local authority Home Energy Conservation Act (HECA) requirement to report on measures we propose to take to significantly improve the energy efficiency of all residential accommodation in their areas. Recent HECA guidance links this with delivery of the Green Deal by local authorities.

Cost benefit analysis

3.6 The Chartered Institute of Environmental Health & the Building Research Establishment developed a toolkit to estimate the cost of poor housing. For Brighton & Hove it suggests there are more than 1,200 excess cold & falls in the home related incidents each year that impact on quality of life & cost society £20m per annum (£8million NHS costs & £12million in lost work & the need for benefits & support). The cost to adapt & improve this housing is estimated at £2million.

3.7 The domestic sector in Brighton & Hove contributes 42 per cent of the City's total carbon emissions, making this sector the single most significant source of carbon dioxide in the City. 35% of the private sector housing stock fails to meet the Decent Homes Standard; this is substantially higher than the national average. This failure is largely driven by poor standards of thermal comfort. Much of the City's stock (39.8%) was built before 1919, much higher than the national average, with solid walls and sliding sash windows, hindering energy efficiency.

3.8 Where considering the energy efficiency of the City's housing stock there are also wider national energy challenges that need to be considered, including:

- Rising energy costs - prices expected to double by 2030
- Rising energy demand - expected to double by 2050 due to electrification of transport and population growth
- De-carbonisation - 5% renewable energy within 8 years, 30% by 2030; 80% all energy 'de-carbonised' by 2050
- Energy security - UK has only 14 days power reserves compared to France and Germany with >80 days, a 5% drop in imports could lead to 'sustained blackouts within weeks'.

HECA and Green Deal

3.9 Guidance under the Home Energy Conservation Act 1995 (HECA) to English local authorities with housing responsibilities was published on 26 July 2012. It sets out requirements for those authorities to report on the measures they propose to take to significantly improve the energy efficiency of all the residential accommodation in their areas. The guidance links with the delivery of the Green Deal by local authorities. The HECA report should identify: practicable and cost-effective measures to significantly improve the energy efficiency of all residential accommodation in their area and the progress made in implementing the measures. HECA aims to focus the attention of local authorities more closely on the energy efficiency of all residential accommodation and on developing an integrated approach to their housing and energy efficiency strategies. There is a requirement for the Council to complete and submit a HECA report by 31st March 2013. This report will be presented to Housing Committee on 6th March 2013.

3.10 The Green Deal is the Government initiative to support the installation of energy efficiency to householders and businesses, it will be available to all householders, whether they own or rent the property. The work to upgrade the building will be facilitated through the availability of loans paid back from the saving on energy bills. The expected financial savings must be equal to or greater than the costs attached to the energy bill, this is known as “the golden rule”. Alongside the Green Deal the new Energy Company Obligation (ECO) will focus energy companies on improving the ability of the vulnerable and those on lower incomes to heat their homes affordably, and on improving solid wall properties and those with ‘hard to treat’ cavity walls, which have not significantly benefitted from previous schemes and are less likely to achieve the ‘golden rule’.

3.11 The Green Deal, available to consumers from January 2013, will involve a 3 - step process

Step 1 – an independent energy survey of the property, giving clear advice on the best energy efficiency options, such as loft or cavity wall insulation.

Step 2 – Green Deal finance to be provided by a range of accredited providers, which will be repaid through savings on energy bills, theoretically making properties cheaper to run from day one.

Step 3 – Homes and businesses will then receive their energy efficiency package. Only accredited measures will be installed by appropriately-qualified installers.

3.12 Two key elements of the Green Deal are:

- It is not a conventional personal loan and although the cost will be repaid over time the charge is attached to the electricity meter and paid back through the fuel bill. If the original occupier moves out, the idea is that the new occupant will pick up the charge while also benefitting from a more energy efficient property.

- The expected financial savings must be equal to or greater than the costs attached to the energy bill, this is known as “the golden rule”.

3.13 Alongside the Green Deal, existing energy company obligations, Carbon Emissions Reduction Target (CERT) & Community Energy Savings Programme (CESP) will be replaced. The new Energy Company Obligation (ECO) will focus energy companies on improving the ability of the vulnerable and those on lower incomes to heat their homes affordably, on improving solid wall properties and those with ‘hard to treat’ cavity walls which have not significantly benefitted from previous schemes and are less likely to achieve the ‘golden rule’.

3.14 The Green Deal mechanism has the potential to overcome problems in the private rented sector where traditionally landlords are required to invest in energy efficiency measures, with the benefits going to the tenants in lower bills but not back to the landlord. Under the Green Deal landlords (or tenants with their landlord’s consent) can take out loans attached to the property which the tenants then pay back through their energy bill savings. The energy efficiency of the private rented sector is a particular challenge for Brighton & Hove with such a large private rented sector (23% of private sector stock in 2008) and due to the age profile of the City’s housing stock.

3.15 A general overview of the role local authorities can play in delivering the Green Deal is outlined below. The options in Appendix 2 have been developed based on options presented to the Council over the last year. It is not intended to be a comprehensive list of all the models and opportunities available to the Council and there is opportunity for the Council to define its own model of delivery to suit the specific needs and objectives of the City. The scope and scale of the proposals vary significantly, however all are based on similar principles and shared objectives to increase the energy efficiency of homes in the City, provide opportunities to tackle fuel poverty, reduce CO2 emissions and potentially stimulate the local economy and jobs market. It is also worth noting that some proposals can be delivered in the City without the involvement of the Council. Although we retain an interest in their development and progress partners can choose to proceed without the Council’s involvement although it has been indicated that the value added through Council involvement at some level is preferred in all the proposals.

Green Deal Models

3.16 The Energy Savings Trust has prepared a paper on the role of Local Authorities in the Green Deal including a review of the finance models. Key elements of this review are outlined below.

Benefits to local authorities are likely to be:

- New sources of revenue to deliver energy efficiency retrofits;
- Help to reduce fuel bills for local residents and businesses;
- Opportunities for local economic and physical regeneration;
- Support for wider local strategic priorities (better health outcomes, reduced fuel poverty);
- Support for the maintenance and generation of local jobs and skills.

3.17 To deliver the Green Deal locally there are broadly three approaches local authorities might choose to adopt:

Local authority as a Green Deal Provider

Local authorities might raise finance themselves (sources might include the Public Works Loan Board or commercial sources) either individually or in a consortia to deliver the Green Deal locally. Benefits of such a model could include:

- control over strategic planning and local delivery to address specific local priorities;
- ability to reinvest revenue streams into other local projects;
- direct delivery through local supply chains, creation of local training and employment opportunities.

For example Birmingham City Council (BCC) is pursuing a model consistent with this approach and is currently in the process of procuring a Delivery Partner to manage the delivery of the Green Deal. This will include marketing the programme, engaging customers and selling measures, surveying, assessing, refurbishing and maintaining properties, and managing supply chain growth and innovation.

Local authority as a Green Deal partner

Local authorities might look to form partnerships with one or several commercial Green Deal providers to deliver to their local residents and businesses. This approach might be similar to the relationships many councils already have with energy companies to deliver CERT and CESP schemes.

Benefits of such an approach include:

- retaining an influence over how Green Deal is delivered to local residents and businesses;
- the ability to draw in significant new sources of finance to the local area;
- providing reassurance to local residents and businesses on delivery of Green Deal to maximise take up.

This may prove to be a favoured route for the vast majority of local authorities to deliver the Green Deal. For example Greater Manchester (GM) is already running a social housing scheme in conjunction with existing CERT and CESP offers that is seeking to test elements of the Green Deal process and how this might work for local residents.

Local authority as an advocate for the Green Deal

A local authority may facilitate and/or support commercial Green Deal provision in its area, for example perhaps acting as a conduit for local commercial activity and/or providing leads on a commission basis.

Benefits from this approach might include retaining an overview of how Green Deal is being delivered and contributing to local priorities. However, the ability to influence local employment opportunities and links with other strategic objectives is likely to be more limited.

3.18 There is flexibility in how the Council chooses to develop a Green Deal model and it is worth noting that there is the option for local authorities to not actively participate in the delivery of Green Deal and leave it to the market. However as identified above the recent guidance from DECC under the Home Energy Conservation Act 1995 (HECA) to English local authorities with housing responsibilities sets out requirements for those authorities to report on the measures they propose to take to significantly improve the energy efficiency

of all the residential accommodation in their areas. The guidance links with the delivery of the Green Deal by local authorities.

3.19 The selection of a preferred option needs to be balanced against the ambitions for energy efficiency in housing and business, the challenge of climate change and the attitude towards both risk and investment through borrowing.

3.20 In terms of scale and impact, and based on the information to date, the proposal and model developed by Marksman Consulting and Energy Savings Trust, and being pursued by Birmingham City Council, has the potential to deliver the greatest scale and potentially the greatest chance to meet the objectives outlined above and in making Brighton & Hove more sustainable. The scale of this model also has the greatest potential to contribute to the CO2 savings targets as described above. Through an iteration of this model there is also be the potential to work with neighbouring authorities.

3.21 WSCC have developed a business case to adopt the above model referred to in paragraph 3.20 above. They plan to run the procurement process with districts and boroughs within the county investing into the finance pot dependent on the number of properties they expect to take up the offer in their area. WSCC have also had conversations with districts and boroughs within East Sussex to test their interest in participating in the scheme. Preliminary discussions have taken place with WSCC and on the basis of the information provided so far it is recommended that the City Council actively engage in the development of the WSCC procurement model as a potential investor taking the following into account:

- A larger procurement process with multiple authorities engaged in the process will be more attractive to the market than individual authorities acting alone.
- WSCC have committed substantial upfront funding to resource the procurement process and Brighton & Hove would incur only the marginal additional costs from participating and would be able to access greater specialist expertise and advice than acting alone.
- Early commitment as a potential investor gives the Council the greatest opportunity to shape the ongoing governance arrangements and procurement processes to meet the local needs for Brighton & Hove.
- No investment needs to be committed until the summer of 2014 and the final decision would be subject to the final business case being brought back to this Committee.
- The Memorandum of Understanding is not a legally binding contract - it is an agreement to enter into a process to oversee the procurement of the delivery partner.

4. COMMUNITY ENGAGEMENT & CONSULTATION

4.1 The Green Deal element of the recent successful DECC bid was developed in collaboration with local community groups. Wider community engagement and consultation is dependent upon the approach to deliver the Green Deal that the Council may choose to adopt.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The invitation from West Sussex County Council (WSSC) is to participate in their scheme either as an advocate, an affiliate or a potential investor. The proposal is for WSSC to set up a Special Purpose Vehicle (SPV) which would enable the delivery of Green Deal objectives including the provision of finance to fund the works at the nationally agreed interest rate of 7.5% which would then be repaid by residents through their (reduced) energy bills. This would be subject to strict eligibility criteria ensuring net nil cost to the resident. A detailed business case has been developed for WSSC by the Energy Saving Trust and Marksman Consulting and WSSC have identified a programme of 18,000 properties over a 3 year period requiring investment of £75m. There is potential for WSSC to fund the finance initially by prudential borrowing at the PWLB rate with the margin, that is the net difference between the interest rates, being available to reinvest and ensure contract management, engagement, and advice. It is anticipated this scheme would attract Energy Compliance Obligation (ECO) grant funding of approximately £10m.
- 5.2 By signing the Memorandum of Understanding (MOU) the Council would be agreeing to be a potential investor but would not be committing any finances at this stage. A further report will come to Committee for a final decision to enter into contractual obligations; financial commitment would be dependent on the procurement exercise and business case demonstrating the feasibility of the proposed scheme. Agreeing to be a potential investor will allow this Authority to have some influence over the development of the scheme whilst ensuring our residents benefit from any potential ECO grant funding that may otherwise be allocated elsewhere. As an investor, this Authority could be looking to invest in the region of £20m for 2,500 properties with effect from 2014/15. This will need to be reflected in developing the capital budget and planning the capital programme for 2014/15 onwards.
- 5.3 WSSC are looking for a number of partners to ensure delivery of this scheme and have identified funding of £2m for the procurement exercise and set up costs. It is understood that the Council will not be expected to contribute to these initial costs other than in Officer time and associated resources. The main risk identified is whether there would be sufficient take up from residents in order to deliver a cost effective service
- 5.4 Recommendation 2.1 to this report refers to grant funding bids supporting the Council's private sector renewal programme. The Council's element of funding secured from the Department of Energy & Climate Change Local Authority Competition for Fuel Poverty and Green Deal Pioneer Places of £0.387m (Paragraph 3.4 refers) will be reflected in capital programme subject to the grant conditions being satisfied.

Finance Officer consulted Anne Silley

Date 03/01/13

Legal Implications:

- 5.5 Pursuant to CSO 3, Policy and Resources Committee have the requisite authority to delegate authority to the Strategic Director, Place to sign the MOU with WSCC as a potential investor in their Green Deal scheme.

The MOU is not a legally binding document but requires the Council to have made a decision in principle to enable it to invest in the Project and commits the Council to: (i) work together with other partner authorities on the Project (detailed in Schedule 1 of the MOU); (ii) provide support and co-operation in relation to the Project and agreeing with other partner authorities the specific roles and level of input, involvement and investment that the parties will have in the Project; (iii) take part in a process of dialogue and negotiation to discuss and agree (without limitation): (a) the basis and form of the legally binding documents which WSCC and the Council intend to sign up to and; (b) the form and content of procurement and contractual documentation for the competitive dialogue procurement process to appoint a Green Deal provider for the Project.

The MOU sets out the key objectives of the Project and the MOU; the principles of collaboration; the governance structures that the partner authorities will put in place and the respective roles and responsibilities of the partner authorities.

Lawyer Consulted: Lawyer Consulted: Isabella Sidoli 04/01/13

Equalities Implications:

- 5.6 Dependent on the model chosen there is the potential for a large energy efficiency retrofit programme in Brighton & Hove to address a number of issues faced by vulnerable residents in the City, and those at greater risk of fuel poverty and its impacts. A full Equalities Impact Assessment can be carried out if and when details of a preferred model and delivery route emerge.

Sustainability Implications:

- 5.7 The proposals outlined above would bring significant sustainability benefits in terms of climate change and energy use and promoting sustainable communities.

Crime & Disorder Implications:

- 5.8 There are no significant crime and disorder implications foreseen.

Risk & Opportunity Management Implications:

- 5.9 The level of risk and opportunity associated with each broad model varies significantly dependent on the level of involvement the Council were to have in both providing an element of finance and delivery of the service. A comprehensive assessment of risk and opportunity can be carried out when exploring options and models in more detail, the mitigation of these risks can be detailed through this process.

Public Health Implications:

- 5.10 As identified above and within the Joint Strategic Needs Assessment the impact of living in cold homes and fuel poverty is significant on health, particularly for vulnerable groups, including children, older people, and people with disabilities and long term health conditions. The health risks of living in a cold home include breathing difficulties, heart and circulatory problems, mobility problems, increased risk of stroke and poor mental health.

Corporate / Citywide Implications:

- 5.11 The proposals support the following Council priorities:
- § Tackling inequalities
 - § Making Brighton & Hove a more sustainable City

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 As previously stated the Council can choose to not actively engage in the Green Deal and allow the market place to develop locally to offer services to local residents.
- 6.2 Subject to identifying suitable resources the Council could choose to invest directly into housing stock in the City along the lines of the current Private Sector Housing Renewal Assistance programme, through a combination of grants and loans.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Nationally, Green Deal and ECO will be the main source of finance and delivery of energy efficiency to both households and businesses from autumn 2012 onwards. All existing sources of energy company subsidies and funding are planned to finish at the end of 2012.

SUPPORTING DOCUMENTATION

Appendices:

1. Warm Homes Healthy People Programme (WHHP) 2012/13 & Department of Energy & Climate Change funding bid
2. Summary of Options
3. West Sussex County Council – Memorandum of Understanding

Documents in Members' Rooms

None

Background Documents

Warm Homes Healthy People Programme (WHHP) 2012/13

WHHP, a partnership between Brighton & Hove City Council, NHS Brighton and Hove and the local voluntary and community sector, has successfully applied for a Department of Health grant of £122,314 for 2012/13.

Our initial bid was for £150,000 and was developed and submitted in partnership with colleagues from Public Health and third sector organisations, the programme contains a number of elements to address the issue of cold homes and fuel poverty and their impacts on health, including:

- Fuel poverty awareness training to front line workers across all sectors;
- Free financial inclusion checks;
- Winter Home Checks Service & Energy assessment and advice visits;
- Red Cross emergency response service and distribution of 'Warm Packs';
- Emergency grants to individuals who are at risk during serious cold weather.

Department of Energy & Climate Change funding bid

Extract from attached letter received from DECC regarding their Local Authority Competition 2012/13 and our joint bid with Eastbourne Borough Council:

We are writing to inform you of the outcome of assessment. In summary the panel felt that all elements of your application strongly met the criteria for support. We propose to allocate funding as follows:

For Fuel Poverty – £378,000 of capital funding and £31,500 of programme funding, totalling £410,100.

For Green Deal Pioneer Places – £120,000 of capital funding and £101,000 of programme funding, totalling £221,000. We have revisited bids to check Capital/Programme splits and you may find that the figures set out in your bid are different to this.

We recognise that delivery timetables are tight and we are making every effort to keep administration as quick and effective as possible. All offers of funding are subject to agreement of a Memorandum of Understanding (MOU), setting out guidance for use of grant.

The fuel poverty funding breakdown with Eastbourne is below (Green Deal element is related to Brighton & Hove only).

BHCC

- Capital – £266,600
- Programme - £21,000

EBC

- Capital – £112,000
- Programme - £10,500

Green Deal element is a local Brighton & Hove initiative developed in collaboration with community groups.

The Green Deal Go Early project will kick start the Green Deal in Brighton & Hove by building a network of 10 Green Deal show-homes and opening them as part of our Eco Open Houses events to showcase the benefits of the Green Deal to residents. Together these activities will pump prime the City and make it ready to embrace the Green Deal. The activity will develop a strong network of Green Deal approved assessors and installers build the local supply chain and create a legacy to market and publicise the Green Deal.

The Green Deal Go Early project has been developed in collaboration with community groups, charities, service providers and business groups. These include: BBM Sustainable Design, Brighton & Hove 10:10, Eco Open Houses, The Green Building Partnership and Low Carbon Trust. The local partners have expertise in energy assessment, building services, delivering open house events and creating marketing resources. Several of the partners successfully undertook Local Energy Assessment Fund projects earlier in the year and have worked together on other projects.

Options Appraisal Summary

Option	Potential Benefits	Risks	Financial Implications
Marksman Consulting & Energy Saving Trust Model	<ul style="list-style-type: none"> • Up to 15,000 homes energy efficiency improved bringing down fuel bills • Significant reduction in CO2 emissions • Investment of £100million into housing stock and knock on effect for local business and employment (creation of 30-35 jobs each year) • reduction in fuel bills has potential to release £2-3 million pa into local economy • Co-ordination of activity across various commissioning, resource and delivery units in partnership with local community groups, third sector and private sector to commission and deliver project within intelligent commissioning framework. Potential to create an ESCO as part of model • Ambitious project that can be designed around the needs of Brighton & Hove. Significant learning opportunities and opportunity for reputational benefits, support available from Energy Saving Trust in developing model 	<ol style="list-style-type: none"> 1. Significant capital borrowing impact on capacity for borrowing for other projects 2. Bad debt risk on 'loans' 3. Risk of low 'take up' impacting on scale and economies of scale <p>Risks may be mitigated;</p> <ul style="list-style-type: none"> • Act as 'anchor authority' to reduce capital investment required • Build in bad debt provision into financial model • Act as 'anchor authority' for region reducing sign up target for B&H 	<p>Significant borrowing by local authority – up to £75 million</p> <p>Potential officer costs not yet defined - £70K consultancy and delivery fees to Marksman covered through capital borrowing business model. Some EST consultancy available.</p>

<p>West Sussex County Council</p>	<ul style="list-style-type: none"> • WSCC have developed a business case to adopt the above model. They plan to run the procurement process with districts and boroughs within the county investing into the finance pot dependent on the number of properties they expect to take up the offer in their area. • WSCC have also had conversations with districts and boroughs within East Sussex to test their interest in participating in the scheme. • Some early discussions have taken place with WSCC and there is the option for BHCC to explore further the possibility to participate at some level (see below) • WSCC have identified a number of potential roles for councils – investor, affiliate or advocate each carries a varying degree of engagement in terms of financial investment, promotion, management and risk. • There are a number of potential benefits with this option: <ol style="list-style-type: none"> 1. Being part of a sub-regional scheme shares costs of promotion and risks associated with getting the right scale 2. Scale increases VfM and ability to attract high levels of ECO funding whilst retaining a degree of local control and influence 3. WSCC have progressed work and have funding for business modelling and procurement activity. 4. Sub-regional work presents sufficient scale to support and grow the local economy and create job opportunities. 	<p>As above and dependent on role chosen, but risks can be mitigated through partnering with other LA's and reducing capital investment and consequentially signing up large number of residents.</p>	<p>Investment through borrowing or reserves (amount to be confirmed dependent on ambition) Opportunity for re-financing.</p>
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