

West of England

Full Business Case

Scheme: Retrofit accelerator.

		Originated	Reviewed	Authorised	Date
1	Version 1.0	14/02/2022			
2	Version 2	01/03/2022			
3	Version 3	15/03/2022			
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Executive Summary

The retrofit accelerator proposal will create a highly visible, easily accessible support service for homeowners who want to retrofit their property. The service will offer advice and guidance to homeowners, encouraging and supporting them throughout the end-to-end process of retrofitting their properties, from initial thoughts about improvements, through surveying and advice on measures to apply and on to recommending and signposting to capable installers to carry out works.

The accelerator will operate to PAS 2035 principles. PAS2035 is a specification for what is called ‘whole-house’ or ‘whole building’ retrofit. This is an approach to the installation of energy efficiency measures (EEMs) which takes into account the requirement of the entire building, both from a technical standpoint and considering factors like occupancy comfort.

PAS 2035 is concerned with assessing domestic dwellings for energy retrofit. This involves identifying areas where improvements can be made and specifying and designing the relevant improvement measures. It is also concerned with the monitoring of domestic retrofit projects. PAS 2035 is to be used in conjunction with PAS 2030: 2019, which sets out the standards required for installing EEMs.

The support will be in place for a 3-year period and will address system weaknesses that have been identified in the operation (successfully or not) of national and local retrofit funding programmes with a view to improving interest and uptake in future funding opportunities. Strong marketing and branding will help to signpost homeowners to the service.

The business case seeks £3m for the accelerator to facilitate an impactful and measurable increase in the numbers of private homes receiving ‘whole house’ type retrofits, over and above what would have happened in the same period without the intervention. Our economic case sets out a minimum number of additional retrofits that need to be achieved to create a positive value for money case, if this minimum is achieved then 16,335 tonnes of CO₂e can be saved. Our view is that the accelerator will achieve a greater impact than this.

Based on the same minimum number, the additional works facilitated by the accelerator are calculated to lead to an additional £22m of expenditure on retrofitting activities. Independent studies show that this level of increased expenditure should support the creation of over 400 new, high skilled jobs in the region.

The retrofit accelerator will be steered by strong governance and will work to ensure that PAS2035 standards are met in any retrofit project that it manages. This governance would include providing a clear set of priorities, outputs and outcomes for the accelerator and would help ensure consistency of approach, messaging and targeting.

Additional budget will be allocated for staffing (plus overheads) and marketing and communications.

1 Strategic Case

1.1 Project Description

The Retrofit Accelerator project will initially create a PAS2035 based service for homeowners that will support them from the initial stages of thinking about retrofitting right through to the completion of works to their properties. The service will offer a single point of contact and provide assured, independent and expert advice, encouraging and enabling the retrofit of private homes. The service is effectively aiming to provide the Retrofit Advisor and Coordinator roles described in PAS2035 whilst being able to refer to accredited Assessors, Designers, Evaluators and Installers. The full range of services to be provided through the accelerator are set out in the Commercial Case section.

Supported by a large marketing and communications budget, the accelerator will become highly visible and recognised across the region, operating through traditional and on-line routes, to ensure that homeowners in the West of England are able to make the most of new national funding streams (heat pump grants and other funding).

The accelerator service, will also enable better coordination and coherence of existing activity, new action and interventions through strong region-wide governance, improving the retrofit 'system' as it currently exists and strengthening it where needed using future funds from the Green Recovery Fund or by leveraging in national funding streams.

The network can also be used to advice the Authority on other retrofit related issues and will gather and monitor live market information on supply and demand issues as well as existing or new barriers to increasing the rate of retrofitting across the region.

Project Objectives and Case for Change

Ahead of the EU Renovation Wave initiative, an own-initiative report by the European Parliament's Committee on Industry, Research and Energy (April 2020)¹ reminds of the enormous potential that lies in buildings renovation. The report states that by renovating existing buildings, significant energy savings can be achieved. It also estimates that, through integrated renovation programmes, especially at local level, the EU's total energy consumption could be reduced by 26% and bring numerous co-benefits. In difficult times brought by the Covid-19 pandemic, one-stop-shops, which are guiding customers through the full renovation journey, are even more needed as their whole ambition is to help overcome uncertainties.

The Energy Saving Trust (2011) highlighted three primary barriers to home improvement: Information & Awareness, Hassle and Cost. Carrico et al (2011) suggested that a multiple approach strategy is needed from policy makers along with the provision of information in order to achieve reduction in domestic energy use, for example; measures to increase motivation, reduce mental effort along with more relevant information.

Research¹ suggests It is commonly accepted that not all of the population will make an effort to increase the energy efficiency of their house, not only through lack of resource, but lack of understanding, ability and will to act. The willingness to act is of key importance; Yohanis (2011) found that although 77% of householders surveyed had a

¹ Barriers to domestic retrofit: Learning from past home improvement experiences: Becky Mallaband, Victoria Haines and Val Mitchell Loughborough Design School, Loughborough University,

general awareness of energy and environmental issues, their adoption of energy saving measures did not reflect this. Other research suggests that lack of action is due to the fact that people believe they personally have limited impact on climate change (Lainé, 2011). However, the same report states that more than 53% of British consumers surveyed would be prepared to take action to limit climate change, with 71% of these willing to insulate their homes even if that entailed some short-term disruption.

Innovate UK's guide to setting up one-stop-shops for retrofit states that if local and regional authorities take the climate urgency seriously, they have to stimulate the renovation market and in particular the development of one-stop-shops. The guide goes on to offer the combination of measures that the one-stop-shop can offer to achieve this

As a region, we have set the ambition to reduce our greenhouse gas emissions and become net zero by 2030. Achieving this will require regional action on the highest sources of emissions, including those coming caused by our buildings.

Domestic emissions form 30% of the region's total, largely from gas used for heating and cooking. Government have recently released the Heat and Buildings Strategy setting out its strategic plan for eliminating emissions from our homes and heating systems. Some funding streams have already been announced to help the delivery of this programme, with further initiatives anticipated. In order to best place the region to take advantage of these opportunities and reduce emissions, we need to develop a programme of activity to increase the pace of retrofit in the region and develop a long-term approach to sustainable delivery.

There is some existing provision focussing on retrofit within the region, including but not limited to projects like Futureproof, recently awarded additional funding as part of the UK Community Renewal Fund, but there is nothing of sufficient scale to achieve the rate of retrofit that will be required to meet our net zero ambition.

The scale of demand for retrofit and low carbon heating systems far exceeds the supply of available resources. To increase the energy efficiency of buildings we will need to retrofit over 250,000 homes and 8,000 non-residential properties by 2030, including installing low carbon heating systems. On average, roughly 32,000 properties will require retrofitting each year to meet this.

Current deployment levels of heat pumps and low carbon heating systems within the region are too low. Evidence from the Green Skills report indicates that the heat pump market will need to grow by an average of 80% each year for us to reach our 2030 objectives. At the current pace of installations in the region, it would take around 557 years to install the required solid wall insulation and 857 years for the required heat pumps to meet net zero.

We need to do more to encourage and support homeowners and increase the pace of retrofitting properties to make them more energy efficient and move them away from gas heating. Achieving this will save thousands of tons of carbon as well as create jobs and

business opportunities for our residents. The retrofit accelerator is the first step in achieving this rapid increase in retrofitting activity.

The projects objectives are therefore relatively simple:

- To raise awareness and understanding of how retrofitting private properties can help address global climate change.
- To increase the levels of whole house retrofitting of private homes.
- To raise awareness of best practice and models for retrofit.
- To lever in better than our proportional expected level of national funding for retrofitting to the region.
- To enhance coordination, network links and intelligence across the retrofit system.

Work completed for the Authority by WSP (retrofit study literature review and workshop) included a focus on 'one stop shop' models. The study gave the following table as business model options for this approach:

Business model	Roles and responsibilities	Practical example of what the one-stop-shop offers to homeowners
1. Facilitation model.	<p>Raise awareness on energy renovation benefits.</p> <p>Provide general information on optimal renovation works.</p> <p>First advice at the 'orientation stage'.</p>	<p>Advice on how to renovate houses.</p> <p>A list of suppliers that can support the process.</p>
2. Coordination model	<p>Coordinate existing market actors (suppliers).</p> <p>Make sure all one-stop-shop services are offered to homeowners.</p> <p>No responsibility for the result of renovation works (only overlooking the whole process).</p> <p>No responsibility for the overall customer journey (just the first part).</p>	<p>Advice on how to renovate houses.</p> <p>Support in ensuring that suppliers comply with their commitments.</p> <p>Suppliers remain responsible for the final result.</p>
3. All-inclusive model	<p>Offer a full renovation package to homeowners.</p>	<p>The one-stop-shop is a contractor that offers a full-service package and is the main contact</p>

	<p>Bear responsibility for the result of renovation works.</p> <p>Bear responsibility for the overall customer journey.</p>	<p>point for homeowners in case something goes wrong with suppliers.</p>
<p>4. Energy Service Company (ESCO)-type model</p>	<p>Offer a full renovation package with guaranteed energy savings to homeowners.</p> <p>Bear responsibility for the result of renovation works.</p> <p>Bear responsibility for the overall customer journey.</p>	<p>The one-stop-shop offers a renovation package and guarantees energy savings for the contract duration. The one-stop-shop acquires revenue through energy savings achieved.</p>

Our Accelerator proposal is clearly addressing the first two models and creeping into the ‘all-inclusive’ model, by offering end-to-end support through the process without offering renovation directly and not taking (legal or financial) responsibility for the results of renovation works (retaining reputational risk).

The selection of the detailed service offer(s) proposed through the accelerator set out in the Commercial Case has been informed by an assessment of risks and opportunities against each of these four potential models. Good practice guidance advises taking a cautious approach to establishing a one-stop-shop for the first time; the Authority also does not wish to take on the financial and legal risk of directly offering a Model 3 accelerator at this time. Our chosen approach is therefore to create an initial one-stop-shop that covers all of the expected model 1 and 2 elements, with a few elements from Model 3, but stops well short of a full Model 3 approach and is clearly not proposing to establish an ESCO. These more advanced models may emerge in the future.

1.2 Rationale for Public Intervention

The above section sets out the case for local authorities establishing one-stop-shops to help address climate change and achieve net zero ambitions. This section gives a broader higher-level view as to the case for public intervention aimed at increasing retrofit of private properties.

In addition to energy savings, upgrading homes delivers a wide range of persistent benefits to the economy and society, such as improved health, better comfort, increased productivity, more skilled employment and reduced investment in electricity networks - all of which are hallmarks of a modern, low carbon infrastructure. These in turn can contribute to broader policy objectives, such as relieving pressure on the NHS, supporting households struggling to make ends meet, and reducing fuel poverty. These benefits reduce the cost of the transition to a low carbon economy.

The retrofit accelerator is filling an obvious market gap; no single private sector operated or publicly funded service exists that provides the one-stop-shop support of the scale that we are seeking to provide and encourage. The service will provide a public good, helping to achieve social and environmental objectives as opposed to directly financial or economic returns.

We anticipate that the service will also help to address some of the weaknesses identified in the operation of national programmes such as the Green Homes Grant scheme, particularly in addressing the reported complexity of this scheme for homeowners and in their inability to find suitable installers to complete works. The accelerator will work to PAS2035 standards ensuring that retrofit works across the region can be assured against these criteria.

1.3 State Aid Considerations

The commercial approach to providing the network / service is not yet agreed and we are still considering direct procurement or a grant approach. Where a grant approach is taken, given the aim to achieve an easily manageable, single point of contact as opposed to a broader network of organisations coming together in a collaboration, it is likely that the full award would be made to a single entity. This will mean that a small amounts of financial assistance route will not be possible and other compliant routes would need to be found, these could include the development of a bespoke Combined Authority grant that meets the requirements of the Trade and Cooperation Agreement and emerging UK subsidy control legislation. External expert advice would be needed in order to design the grant terms and conditions before it was offered.

Where a procurement route is taken, we will ensure that there is no over-compensation for the service by market testing and comparison with the costs of other similar contracts.

1.4 Strategic Fit

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this business case are as follows:

- Providing investment to support action on climate and biodiversity to ensure a sustainable future for the region, promote economic recovery and help achieve the region's net zero ambitions.

The proposed activity also fits with our Climate Emergency Action Plan and the Green Recovery Fund approved in the December 2021 Committee. The GRF objectives will be to:

- Reduce the region's emissions from buildings and transport, and enhance our natural habitats;
- Raise employment in businesses providing solutions to climate transition;
- Develop viable and sustainable markets for net zero transition, by overcoming

obstacles or developing innovative solutions;

- Support the region's economy to decarbonise, including increasing green skills provision; and
- Leverage external funding into the region to tackle climate and ecological emergencies.

The key outcomes of the fund will be to:

- Protect the environment and reduce emissions
- Create jobs and increase green skills provision

Funding from the Green Recovery Fund will be targeted at the highest causes of emissions and preserving and enhancing our ecological systems. However, in order to meet our ambitions, we will not only need to fund programmes that will offer direct delivery but also those that will equip the region going into the future. The pathways to nature recovery and a transition to net zero are not yet fully known and will require innovation and green skills development. Where possible, initiatives funded by the Green Recovery Fund will seek to stimulate these areas across the region.

Wherever possible, the Green Recovery Fund will be used to enhance existing best practice within the region and identify and fill in any gaps in provision across the region. The proposed accelerator meets many of the requirements of the GRF, including addressing a current gap in provision; reducing the region's emissions from buildings and leveraging additional funding. Many of the other aims of the CEAP and GRF would be enhanced by the proposed governance of the accelerator, allowing input to the design of future GRF projects from a wide network of sector expertise.

This project proposal is coming forward under the Low Carbon Buildings element of the Authority's Green Recovery Fund. It is also intended to produce a business case for supply side / installer market / sector development support programme to raise capacity in the installer market to be able to meet increased demand for retrofit from homeowners. It is also proposed to produce a business case that will offer direct financial support to homeowners to help meet the costs of retrofit (presuming that such a scheme would not conflict with national funding available) This accelerator business case has come forward first as it is the most novel of these three proposals; the other two will follow swiftly. The accelerator business case should be seen as part of this combined package, as opposed to a single proposal seeking to address all of the challenges to increasing retrofit across the region.

1.5 Options Appraisal

The £3m allocation for the retrofit accelerator was identified in WECAs Green Recovery Fund paper agreed at the December Combined Authority committee. The paper set out that the accelerator would address three areas that require acceleration:

- Improving skills offers related to PAS2035 role accreditation by directly funding skills interventions and collaborative working with other stakeholders.
- Increase the amount of information advice and guidance aimed at property owners

to help guide them through the retrofit process, building on existing programmes and good practice within the region, including the development of a one-stop-shop approach.

- Develop a flexible grant funding scheme to provide certainty to market.

The second task is the focus for this business case, on the basis that all three are not affordable (at sufficient scale) or deliverable within the £3m envelope available, and that the proposed Accelerator governance process will help inform the other two issues and future business cases or applications put forward to the Green Recovery Fund.

Additionally, the Energy Hub is working on a homeowner loan product that would be potentially disrupted by a grant scheme and colleagues in the skills team are running PAS2035 focused training through our Skills Bootcamp funding.

There are a range of options to achieve increased levels of retrofit in the domestic sector. These include:

- Direct funding to homeowners to meet some or all of the costs of retrofitting.
- Direct grant to installers to meet some or all of the costs of retrofitting properties.
- Increase the scale of the installer market to meet latent demand from able to pay homeowners.
- Lobby government to introduce larger, longer term schemes to support retrofit of domestic properties.
- Create a local one-stop-shop intervention to encourage and support homeowners through the retrofit process.

These options are each now assessed:

Direct funding to homeowners to meet some or all of the costs of retrofitting.

Benefits	Disbenefits
Directly tackles the issue through incentivising works.	Complex to administer, as per national Green Homes Grant voucher scheme findings (Audit Commission)
Increases demand for retrofit services and has wider economic benefit.	Impact in terms of numbers of properties limited by scale of available funding (£3m / £5000 average grant = 600 properties).
Good strategic fit with the Authority's Green Recovery Fund.	May conflict with national funding (boiler replacement scheme) making homeowners ineligible for national funds.
	Duplication / incoherence with other Authority proposals - Loan scheme already being developed by Energy Hub.
OPTION DISCOUNTED - AWAIT NATIONAL DEVELOPMENTS AND ASSESS PROGRESS OF ENERGY HUB PROJECT.	

Direct grant to installers to meet some or all of the costs of retrofitting properties (measure funding).

Benefits	Disbenefits
Directly tackles the issue through incentivising works.	Complex to administer (accreditation issues), but less so than a homeowner grant scheme.
Incentivises growth in the sector and has wider economic benefit.	Impact in terms of numbers of properties limited by scale of available funding (£3m / £5000 average grant = 600 properties).
	May conflict with and duplicate national funding (boiler replacement scheme) which are designed to be allocated direct to installers.
OPTION DISCOUNTED - AWAIT NATIONAL PROGRAMME.	

Increase the scale of the installer market to meet latent demand from able to pay homeowners.

Benefits	Disbenefits
Helps increase capacity to meet able-to-pay market demand.	Would require internal administration.
Can have direct productivity gains, GVA and job benefits.	Previous similar scheme aimed at supporting the achievement of accreditation standards was not a great success.
Diversifies businesses into new markets, making them more resilient and future-proofing them (i.e. helping gas boiler experts move to electric expertise etc)	Not affordable alongside the creation of a one-stop-shop homeowner service.
Model for supply chain support contracts exists and similar business support programmes can be used as a basis for the project.	
OPTION RETAINED - TO BE SUBJECT OF A SEPARATE BUSINESS CASE.	

Lobby government to introduce larger, longer term schemes to support retrofit of domestic properties.

Benefits	Disbenefits
Inexpensive and relatively easy.	Not as direct, local impact achieved as using our own funding to pursue other

	options.
Ability to join other MCAs in similar lobbying.	Potentially of limited impact.
OPTION RETAINED AND LIKELY TO BE PURSUED. Does not require a business case or Investment Fund support. IF can't be used to support lobbying activities.	

Create a local one-stop-shop intervention to encourage and support homeowners through the retrofit process.

Benefits	Disbenefits
Direct action addressing a market gap.	Potentially complex to put in place and manage. (see risk section for mitigation)
Follows good practice guidance from Innovate UK.	Potential for the accelerator to underachieve. (see risk section for mitigation)
Not reliant on other parties to act.	Could drive too much demand for the market to meet (see risk section for mitigation)
Unlikely to be replicated nationally or regionally by any other entity.	
Has good strategic fit with the Authority's own Green Recovery Fund.	
Intervention supported by all other Combined Authority UAs.	
OPTION SELECED FOR THIS BUSINESS CASE	

In developing the more detailed delivery options for the proposed one-stop-shop four options were considered:

Option A: Do Nothing directly as WECA and work to cohere existing sector partners to encourage a non-funded (by WECA) solution.

Option B: A simple model 1 consolidated website approach.

Option C: An in-house delivery team providing all of model 1 and 2 operations.

Option D: An open grant / procurement process to establish a model 1 and 2 compliant retrofit accelerator delivered by an external partner.

These were assessed against the following criteria:

Strategic fit - extent to which the option met the project's primary objectives;

Strategic fit - demonstration of leadership and ambition of the Authority to achieve our net zero target and directness of option to achieving the aim of increasing retrofit.

Deliverability at pace and achievable scale - given the Authority's net zero ambition and

the scale of retrofitting estimated to be required if that target is to be met (circa 32,500 homes per year to 2030) the extent to which the options could deliver at pace and deliver outputs of sufficient scale.

Added Value - the extent to which the option would allow other benefits to be felt across the whole region.

The following scoring system was used with the following results:

	Strategic Fit - meet the objectives of the proposed Accelerator.	Strategic Fit - Leadership	Deliverability at pace and scale	Added value
Option A: Do Nothing	Partially Meets the criteria, but to a lesser extent: No accelerator is guaranteed to emerge, nor is a single, easily identifiable single point of contact. Delivery of advice and guidance would remain disbursed and sub-optimally networked.	Fails to meet the criteria. Additional activity and the emergence of a single point of contact would not necessarily be achieved.	Fails to meet criteria: No delivery timeline would be available and would be outside of Authority control No direct outputs would be established.	Fails to meet criteria: No additional value is secured
Option B: Consolidated website (would meet some of the requirements of business model 1 above)	Partially Meets the criteria, but to a lesser extent Many websites offering advice and guidance on elements of the retrofit process exist already. These could be amalgamated, or a Growth Hub type model adopted where a central	Partially Meets the Criteria: A consolidated website would go some way to establishing the Accelerator but is not assessed as direct as other options.	Partially Meets the Criteria: Website building is a known service, commissioning of a consolidated website could take place quickly with a site operational within 3 - 6 months. Delivery targets for a website to	Fails to meet the criteria. No additional value could be secured through a consolidated website.

	website signposts to other information and sites.		achieve a specific number of engagements or houses retrofitted would be hard to establish.	
Option C: In house delivery (would meet most of the requirements of business model 1 and 2)	Fully Meets Criteria: An in-house delivery team would directly address the objective providing a one-stop-shop presence that does not currently exist.	Fully meets the criteria. The Authority would be directly acting to establish the Accelerator service.	Partially Meets the Criteria. An in-house team with sufficient skills, knowledge and experience of the local ecosystem could take considerable time to establish and would present potential legal and reputational risks to the Authority regarding assurance etc. Direct control of delivery targets.	Partially meets the criteria. An in house team dedicated to providing the one-stop-service would be focused on this task as opposed to other wider strategic aims, such as informing future skills needs, or input to social housing related activity or supply side activity. They would however be gathering real-time data and information that would be useful for analysis to inform other interventions.
Option D: Grant funded or externally procured service	Fully Meets Criteria: A grant funded or externally procured service would be specified to meet the full requirements of the Accelerator.	Fully meets the criteria. Direct action to create an Accelerator would be evidenced	Fully Meets Criteria: Entities who can form the accelerator exist currently and, when combined, fulfil many of the intended roles of the accelerator. These can be commissioned speedily with	Fully meets criteria Additional value from the accelerator governance and network can be realised by collaborating with the delivery agent(s) to gain real-time market information and to bring existing expertise and knowledge into the

			the Accelerator up and running within 3 months of approval.	design of subsequent business cases addressing other fundamental issues such as supply side capacity and skills needs, as well as the design and implementation of 'archetype' approaches and to achieve links to lessons learned from social housing projects.
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Previous sections have set out why we are proposing the particular model of one-stop-shop that we are - all of Model 1, 2 and some of 3, as set out in the Commercial Case - but the rationale is repeated again here in brief. From the outset, we have discounted establishing an ESCO - a region wide ESCO may emerge, or support programmes directly to ESCOs already operating might be considered, in future.

The all-inclusive nature of Model 3 brings with it legal, financial and reputational risks for the Authority that are not acceptable at this time, for example the direct delivery and responsibility for the quality of retrofit installations. Under the selected model, responsibility for installations will remain with existing sector installers who will retain the risk around sub-standard work. The aim of the accelerator will be to reduce the numbers of sub-standard or inappropriate installations, but will not be liable for any remedies arising from these cases.

1.6 Environmental Sustainability and Climate Action Considerations

The project addressed the Authority's net zero ambitions and will be delivered in a sustainable manner.

1.7 Equality and Diversity Impact Assessment

The intervention is not deemed to represent a change in policy nor does it amend any existing eligibility or statutory entitlements. Some protected characteristic groups may find it harder to find out about and access the support on offer

In particular:

Age - Older people may be less likely to have internet access and may find it harder to complete online forms;

Disability - People with learning disabilities may find it harder to understand how to access the support and those with sight related disabilities may find it harder to complete any forms if it is not provided in an accessible format;

Race and religion or belief - People whose English is not a first language (e.g. migrant communities) may be less likely to find out about the fund and may find it harder to complete the application forms; and

The assessment also found that the scheme has potential to create benefits for people with protected characteristics by enabling them to make energy savings and address potential fuel poverty issues. Service delivery will therefore be designed to maximise the ability of protected groups to access the support.

The table below shows the objectives, actions and intended impacts.

Objectives	Actions	Intended Impact
Design an Accelerator which is promoted widely, including to protected groups	Prepare a marketing plan to demonstrate how people from protected groups will find out about the support.	Awareness of the fund is high amongst community groups and organisations which represent protected characteristic groups
Design an Accelerator service which can be accessed fairly by all groups	Provide and application forms and guidance in plain, jargon free English Make any published forms of advice and guidance available in alternative formats on request Provide all homeowners with support to complete any application forms if required through signposting to partners	Contact and cases are received from homeowners in protected characteristic groups

2 Economic Case

2.1 Economic Appraisal

As stated above, the aim of the accelerator is not directly economic, instead it is focused on the delivery of carbon savings toward our net zero ambition. The economic case is modelled from our estimates of existing retrofit activities that occur currently, accounting for all public funding sources and existing advice and guidance mechanisms. Estimates for current 'whole house' retrofits are also not easy to find, so our figures include installations of all measures (i.e. just a heat pump and nothing else) with some discounting for assumptions that when solid wall insulation is installed, it would likely be accompanied by loft insulation if missing.

These estimates have been drawn from a range of figures, including Green Homes Grant application and installations, ECO and Green Deal funded measures, and statistics from relevant work completed for the Authority. For the first three sources, figures have been annualised from LA based figures for the West of England (excluding North Somerset) or extrapolated from national figures.

From these three sources, the figures calculated for annual retrofit activity occurring already range from 600 - 3000 (getting to 3000 involves the most extrapolation from SW wide figures and also accounts for any retrofit measure, possibly double-counting where two measures were installed at the same property).

Moderating across this range, we believe that **a baseline of 1,100 retrofitted properties per year is a reasonable estimate of current activity**. Over the three-year life of the Accelerator this would equate to 3,300 annual retrofits. We now need to establish a figure for how many retrofits the Accelerator will add to this baseline.

To achieve our ambition of being net zero by 2030, our own figures indicate that around 32,500 homes will need to be retrofitted, per annum. This is clearly not an achievable target but sets the scale of ambition.

Assuming an average cost of £25,000 to achieve a suitable whole house retrofit, if we allocated the £3m out in £25,000 lumps we would achieve 120 more retrofits over the three-year period (40 per year). If we allocated homeowner grants of an average £5000, the £3m would fund 600 grants (200 retrofits per year). Our additionality figure for the Accelerator therefore needs to be more than 200 per annum (600 total). 200 per annum already represents an 18% increase on our baseline but still, combined, would only deliver 1,300 (approximately) retrofits per annum.

An assumption is that the Accelerator will, when combined with new national funding for retrofit, **increase annual delivery by 33% - 363 more properties per year than would have occurred without it**. This gives a total three-year increase on the baseline of 1,089.

A reasonable assumption to make, based on evidence from whole house retrofit programmes, is that a properly retrofitted property will save, on average between 2 and 2.5 tonnes of CO₂e per year. Reducing this average saving to 1.5 tonnes per year and allocating a 10-year lifespan to measures installed during the initial 3 year life of the accelerator generates a figure of 16,335 tonnes of CO₂e saved.

Assuming a value of £245 for a tonne of CO₂e saved, generates a value of £4,002,075 for the Accelerator. This value is taken from the BEIS Green Book supplementary guidance (valuation of greenhouse gas emissions).

An initial assessment of the impact on jobs growth flowing from the Accelerator is given below. As per the National Audit Office report on the Government's Green Homes Grant

programme, government estimated that 82,500 jobs could be supported by the GHG (bearing in mind that the GHG scheme was intended as post-COVID economic recovery type intervention as opposed to a directly environmental programme) based on 600,000 properties being retrofitted. This was revised down when the outcome of the scheme was evidently not going to be as large as anticipated, to 47,500 retrofitted homes, supporting 5,600 jobs. Both these figures arrive at an average of between 0.11 and 0.13 jobs being supported per home retrofitted. By this measure and taking an average of 0.12 jobs per retrofitted home, our 1,089 additional homes retrofitted would support 130 jobs. This figure is lower than that set out in the following paragraphs and has not been used in this case because the works completed under the Green Homes Grant scheme were likely to have been single measure as opposed to the more intensive whole-house retrofit that we seek to achieve through the accelerator. Whole house retrofitting will require more skilled workers per house if it is to be achieved to the quality standards we anticipate.

The Audit Commission has not audited the robustness of these figures but they were drawn from a May 2012 study by R Janssen and D Staniaszek called 'How Many Jobs? A Survey of the Employment Effects of Investment in Energy Efficiency of Buildings', published by The Energy Efficiency Industrial Forum. This study concludes its comprehensive analysis by stating that it can be expected that for each £1m invested in upgrading the energy efficiency of our building stock will create 19 new direct jobs. The study also found that these jobs would be 'local and non-transferrable' and goes on to say that "For the most part, jobs created by addressing the wasteful performance of existing buildings are highly skilled with important added value."

This is not the most appropriate measure of job creation to use for this particular intervention as the funding will not be spent directly on completing physical works, however, some extrapolation is possible. A BEIS 2017 study "What does it cost to retrofit homes?" gave figures (page 15) for the average installation cost of a range of measures for wall insulation (solid and cavity), boiler replacement and controls, loft insulation and lighting and replacement double glazing.

Selecting a sensible set of these measures for a single property, under a whole-house approach, gives an average range of between £25,000 and £30,000 to fully retrofit a single property. Taking a conservative approach to these figures by assuming an average cost of £20,000 per home retrofitted (and not accounting for any local reliable information about prevalent property types - solid wall or cavity wall for example) and multiplying that by our baseline of 1,089 additional homes retrofitted would generate £21.78m of investment into retrofitting across the region.

Rounding this up to £22m and multiplying 22 by 19 gives 418 direct new jobs relating to the additional works that will be enabled through the Accelerator. Using our regional average of GVA (productivity) per job of £53,955 gives a forecast increase in GVA of £22.5m.

2.2 Value for Money Statement

Total project cost	£3m
Grant sought (IF/EDF/LGF/RIF)	Investment fund (Green Recovery Fund)
Net Quantified Benefits	16,335 tonnes of CO2e saved over 10 year period.
VfM indicator*	<p>£245 per tonne of CO2 saving</p> <p>$\text{£4,002,000} / \text{£3,000,000} = \text{£1.33 to £1}$</p> <p>418 direct new jobs x £53,955 = £22.5m</p> <p>Overall - $\text{£26,502,000} / \text{£3,000,000} = \text{£8.83 - £1.}$</p>

* Benefit compared to total cost including match

funding.

3 Financial Case

3.1 Chief Financial Officer sign off

The business case seeks £3m of funding from the ear-marked £30m green recovery fund. The use of the £3m to provide the service is affordable from this allocation and, as shown in the Economic Case, would deliver more outputs than a straight grant scheme to homeowners.

Using the baseline figures from the Economic Case, and from the allocation of funds below, the £2.555m allocated to the service would, on a straight average, deliver one additional retro-fitted property for an output cost of £2,346. This does not include contacts with the service that do not result in a 'completion' and, on the face of it, offers a relatively affordable price. However, this requires testing with the market and comparison with similar schemes elsewhere. We may find that the cost per output is considerably lower, or higher, during our intended market engagement phase.

3.2 Scheme Cost

Costs for Project Implementation

Revenue and Total Funding

Elements

Cost Heading	Total projected eligible expenditure	Amount to be claimed (if Full Business Case)
Internal staff including overheads	£377,759	£377,759
Funding for service provision	£2,555,741	£2,555,741
Marketing	£66,500	£66,500
Total	£3m	£3m

Our marketing costs are based on a range of expenditure types, from the initial creation of the accelerator branding through to print, radio and social media advertising. We will also want to produce a range of videos for broad use in awareness raising, case study documentation and videos to encourage participating and other marketing collateral. We would also fund and contribute toward a series of roadshows and take up exhibition / display space throughout the delivery period.

These marketing costs are forecast to be:

Activity	Estimated cost
Branding, key messaging, advertising and awareness raising.	£12,500
Video production	6 videos at average £4000 each - £24,000
Written documentary collateral (printed documents kept to a minimum and for web	£5000

use only) and banners	
Exhibition / display / showcasing	10 events at average £2500 - £25,000
TOTAL	£66,500

Staffing costs have been assumed as follows:

Post	FTE	Salary, NI and Pens	Corporate Overhead
Project Manager Grade 10 Scale point 36	1	£52,000 x 3 = £156,000	£56,160
Project Officer Grade 8 scale point 27	1	£40,588 X 3 = £121,764	£43,835
		£277,764	£99,995
TOTAL			£377,759

3.3 Spend Profile and Funding Sources

Costs for Project Implementation

	22/23	23/24	24/25	25/26	Total	Notes
Service provision	£425,956	£851,913	£851,913	£425,959	£2,555,741	Assume defrayal will be from 22/23 onwards
Authority staff costs (including on costs)	£62,959	£125,919	£125,919	£62,959	£377,759	Including oncosts and inflation
Marketing	£32,500	£24,000	£10,000		£66,500	Assume marketing activity will be front loaded.
Total	£521,415	£1,001,832	£987,832	£488,918	£3m	

Revenue and Total Spend (£000s)

		2022/23	2023/24	2024/25	2025/26	Total
Source 1	GRF	£521,415	£1,001,832	£987,832	£488,918	£3m
Total						


Table 3.3.xlsx

4 Commercial Case

4.1 Procurement

It is to be decided, following market testing, on what terms the accelerator service is provided. Our initial position is that the service would ideally be procured if a suitable market entity is likely to tender. If there is no market provider, then we would revert to a grant position. A blend of these options is also possible.

Procurement for a contract of roughly £2.6m in value, using the old EU values (the Authority does not appear to have updated its procurement guidance following formal Brexit) would require the specification and tender documentations to be approved by a Strategic Director with the final contract award being a Recorded Officer Decision at CEO, S151 or Monitoring Officer level.

The Authority's in house procurement team would manage the procurement process, following all internal guidance and requirements.

An open and transparent grant process would also be managed internally by experienced staff, working along the same lines as existing grant funded schemes of similar scale (WFTF, Pollinator Fund, Community Recovery Fund, BIF, LCCF etc)

In either case, procurement or grant, the vast majority of the intervention to be delivered will remain the same, any contract let or grant award made would be on the basis of the accelerator providing the following elements:

- Awareness raising of the benefits resulting from energy retrofit.
- Promotion of other services offered by stakeholders
- Proactive demand generation through marketing and communication measures for specific target groups (e.g. low income, specific city districts, young families, elderly persons, etc.) based on a previous market segmentation
- Promotion of the one-stop-shop services in a physical shop, demonstration site, virtual platform
- Communication through a network of one-stop-shop partners - local actors who are present at the 'life-changing moments' of homeowners: real estate agents and banks (when a new house is being purchased), insurance companies and public institutions dealing with young families/elderly people (considering house extension/ adaptation), the authority issuing building permits, etc.
- Development of customised home renovation product examples and case studies including house extension or adaptation to a specific life situation (e.g. flat adaptation for older / disabled person, new kitchen, maintenance needs, etc.)
- Standardised off-shelf ready-made product examples and case studies for a specific type of the housing stock (e.g. same type of houses in terms of age and construction techniques within the same neighbourhood)
- Recommend relevant energy saving measures, technologies and materials and provide the list of existing suppliers
- Preliminary building analysis / energy audit
- Development of an 'Energy renovation roadmap' aiming at deep renovation (NZEB standard)
- Supplier selection: Provide the list of suppliers that are certified by the one-stop-

shop as ‘quality suppliers’, develop standard templates and requirements for suppliers’ quotes and contracts, check the quotes and assist in selecting suppliers. All-inclusive one-stop-shops can work with their own supplier network and will take the burden of selecting the supplier from the client

- Development of a standard preliminary contract proposal between suppliers and homeowners.
- General advice on existing financing options for which the homeowner is eligible (subsidies, tax credits, energy efficiency certificates, etc.)
- Assistance to homeowners in developing a tailor-made financing plan and in preparing all documents necessary for accessing financial instruments s/he is eligible for
- Assistance to the homeowner with the coordination of suppliers and renovation works
- Development of a certification scheme for ‘quality’ suppliers: create a local label / charter / selection procedure to select only suppliers that provide works at the expected quality level (if not conflicting with national requirements for accreditation etc)
- Contribution toward the identification of needs and provision of training of local suppliers and enabling them to collectively coordinate renovation works.

4.2 Operation and Financial Viability

If procured, the service would operate viably for its contract length and it would be for the Authority to determine if the service was continued or reprocured. Charging models would be encouraged, however turning what was a free model into one that charges will not necessarily continue to encourage homeowners to retrofit their properties.

The project budget is fixed, is not a revolving / replenishing fund and hence is not (yet) expected to exceed its three-year delivery window. If it becomes apparent that the service is not sustainable without public funding, or that a charging model is not optimal (for reasons of discouraging homeowners) then the Authority would need to consider continuation of public funding. Sources for this funding are likely to be plentiful given prevailing national and local Net Zero ambitions. Previous services have been funded through ERDF and the current Futureproof intervention is supported by the Community Renewal Fund (soon to become the UKSPF).

Quality assurance and underperformance will be assessed in the end of funding round review and any issues will be reported to the relevant level of project governance and resolved accordingly. All application and evidence of defrayal will be stored in the grant management data base, for the requisite amount of time to enable an independent audit.

All necessary procurement, ICT and legal support/consultation is provided by WECA's in house teams, benefiting the project, with WECA's economies of scale. These officers will form the wider grant group, that will meet regularly to assess the end of funding round reviews and assess any quality and internal process issues.

4.3 Social Value Act

The Public Services (Social Value) Act 2012 requires public authorities to “*have regard to economic, social and environmental well-being in connection with public service contracts and for connected purposes.*” In essence, the Act is a tool to help commissioners get value for money out of procurement whilst at the same time talking to local communities to design better services and to find innovative solutions to difficult problems.

The Retrofit Accelerator can deliver a number of social value outputs, namely:

- Strengthening community resilience (social) to climate change; and
- Addressing a number of the HACT Social Value measures (social, economic and environmental).

These social value output (see Logic Model when complete) will be recorded, monitored and evaluated throughout the lifetime of the project.

In addition to the above, our procurement and/or grant criteria and assessment process will:

- Prioritise projects which demonstrate wider social impact (additional advice to homeowners above and beyond the requirements of any tender, such as community based events or similar) as well as environmental benefits;
- Require applications to confirm they comply with WECA’s ethical and sustainable procurement standards.

Any procurement activity undertaken through the project will be done so using WECA contract standing orders and will have full consideration of any relevant social value considerations, this could include seeking to procure services or products from business/ suppliers located in the West of England. These actions contribute to both the social and economic considerations of the Social Value Act.

5 Management Case

5.1 Promoter and Delivery Arrangements

The Authority is the promoter, administrator and on-going manager (contract management or grant manager) of the project. It is to be decided on what terms the accelerator service is provided. The service may be openly procured to a specification, it may be grant funded via an open and transparent grant process, or it may be provided 'in house' by the Authority. A blend of all three options is also possible.

Before this is determined, it is not possible to say precisely how the accelerator would be managed but all options would require strong management and governance by the CA. The current assumption is that the staff team identified in the business case would lead the day-to-day delivery and management of the accelerator provider working as part of the Business and Skills delivery team unit, with the Programme Manager providing oversight and the Director of Business and Skills as SRO. This is until such time as an Environment Directorate is created.

5.2 Project Governance and Delivery

Whichever model of delivery is adopted, a governance process for the accelerator will be established, this will involve the CA, our UA partners and stakeholders from the sector. Governance would advise on project delivery and monitor performance, giving informed advice to the Authority as to how the project should be varied as required.

Governance would also be used to assess the market intelligence being gathered by the operation of the accelerator to inform future business cases coming forward to the GRF, addressing the other elements of the accelerator role that were set out by the CA in the December Committee Paper that secured the earmarked £3m.

Terms of reference for this group would be established and agreed prior to it meeting formally.

Delivery of contracted or grant funded activity would be contract / grant managed in-house by Authority staff.

5.3 Programme Plan

Milestone completion dates	Baseline
Market engagement, tender documentation prepared, PIN activity completed and formal procurement launched.	June 2022
Completion of procurement processes.	September 2022
Appointment made and service operational	October 2022
Marketing and communication plan agreed.	July 2022
Marketing and communication plan launched.	October 2022
First year service review.	October 2023
Second year service review.	October 2024
Preparation for completion of M+E	June 2025
Project / contract closure and completion on M+E	October 2025

5.4 Risks, Constraints and Dependencies

The project will monitor risk at the project team, service and SMT level. The risk register will be reviewed monthly by the PM as well as quarterly as part of the quarterly review meetings with the Environment Sustainability Officers Group. If necessary, early intervention around any risks will be actioned, with potential changes to the operation and management of the scheme and project management plan identified and submitted to SMT for approval.

The risk register assesses risk against:

- Impact - disruption caused to project progress should the risk not be addressed. Scored out of 5.
- Probability - likelihood risk would happen should the mitigating action not be taken. Scored out of 5.
- Score - Impact x Probability out of 25.
- Ratings - low risk 0 - 9, medium risk 10 -19 and high risk 20 -25

Risk	Impact	Probability	Score	Mitigation	Owner	Mitigated Impact	Mitigated Probability	Mitigated Score
Reputational risk of poor or complex service provision.	5	3	15 medium	Service design informed through best practice and lessons learned elsewhere. Close contract management with provider to monitor customer journey and impact	SRO/Programme Manager and service provider	3	2	6 low
Reputational risk of ultimately poor or sub-standard retrofits	5	3	15 medium	Service design and assurance processes for entities listed on referral list.	SRO/Programme Manager and service provider	3	2	6 low

being completed.				Independent quality assurance testing process designed in. Clear complaints and resolution process.				
Delivery risk of there being no viable response to a procurement process.	5	3	15 medium	Publicised and reliable market engagement process completed prior to or as part of formal procurement. Reversion to grant process if no market for contract exists.	SRO/Programme Manager	2	2	4 low
Legal risk around assurance of installations which may fall on the Combined Authority.	5	3	15 medium	Careful drafting of service contract /grant agreement to make legal liabilities and responsibilities clear. Clear complaints and resolution process. Independent quality assurance undertaken Careful due diligence of referral partners.	SRO / Programme Manager	3	2	6 low
Financial / reputation risk of low uptake of service by homeowners.	4	2	8 low	Marketing campaign fully funded. Use of intermediaries and media to raise awareness of the service.	SRO/Programme Manager	3	1	3 low
Reputational risk of driving a level of additional demand from homeowners that can't be met by the current market side supply chain.	4	3	12 medium	Prepare follow-on business case for supply side support and development, then implement region wide programme to help grow the sector through growth in existing capacity and by diversification from other sectors (e.g. traditional builders, other types of installers, gas and oil heating experts etc)	SRO/Programme Manager	3	2	6 low

5.5 Land Acquisition, Planning and Other Consents

N/A

5.6 Service Diversions

N/A

5.7 Engagement and Consultation

Considerable engagement has been carried out in the development of the Green Recovery Fund and the retrofit accelerator. The Authority has consulted with sector partners including CSE, Green Retrofit Project, YTKO and our Unitary Authority partners.

In preparing the FBC the Authority will use a reference group of UA officers and a consultation group of current sector partners. This will inform the final detail of the services offered by the accelerator.

5.8 Project Assurance

Developing this project has involved close liaison with several teams from within WECA including:

- Strategy and Innovation;
- Green Infrastructure (Housing and planning);
- Economic Analysis.

In addition, external partners, such as CSE, YTKO and unitary authority staff have been consulted.

This process has informed:

- The structure and coverage of the proposed Accelerator service.
- The objectives for the Accelerator to ensure it maximises benefits to the environment and society; and
- The plans for delivering the Accelerator to ensure it delivers efficiently within existing structures.

During delivery, the contract provider or grant holder(s) will be required to submit at least quarterly highlight reports to measure performance and success of the project and service quality in line with the logic model.

WECA will review the quality and impact of intervention through these highlight reports and require further information and contract variations in any areas where there may be cause for concern.

A full evaluation of all interventions will be undertaken. This will be completed by a procured monitoring and evaluation contractor.

5.9 Monitoring and Evaluation

Scheme: Retrofit Accelerator

1. Scheme background and context

The Authority's Green Recovery Fund sets out an objective to create a one-stop-shop retrofit accelerator giving easy access to support, advice and guidance for homeowners who want to improve the energy efficiency of their homes. The proposed retrofit accelerator will meet this objective, becoming an easily identifiable single and first point of contact for able to pay property owners to use to help and encourage them through the end-to-end process.

The accelerator will require £3m in funding to operate over a three year period into 2026 with funds being allocated to service provision, marketing and communications and internal staffing.

The

Milestone completion dates	Baseline month/year mm/yyyy	Actual completion mm/yyyy
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2. Logic Model

- Complete a logic model to reflect the project scope i.e. all the activities covered by the investment. Ensure also that there is a clear progression between the steps in your logic model.
 - State assumptions between the investment and the predicted outcomes and impacts.
 - For outcomes relating to direct jobs creation, please provide an annual profile of jobs created and clearly state the time period over which net additional jobs and GVA will be created.
 - Please define the impact area of the intervention i.e. West of England or other geographical scale.
- (indicative 350 words)

Logic Model

Context and Rationale

Provide a brief description of the strategic and policy context (link to local and national strategy policy). Briefly describe the market failure rationale for the intervention.

Objectives	Resources/ Input	Activities	Outputs	Direct & Indirect Outcomes	Impact
The aims/ objectives of the scheme are: (Ensure that <u>all aims/objectives are SMART</u>)	In order to achieve the set of activities to fulfil these aims/ objectives we need the following: (Resources should not be limited to money e.g. grant, match funding, in-kind, project team, specialist support, etc. The inputs define the scope of the project being considered in the logic model)	In order to address the aims and objectives we will accomplish the following activities: (What will the money be used for? e.g. construction, project management, equipment/fit out, etc):	We expect that, once accomplished these activities will produce the following deliverables: (Provide measurable outputs e.g. length of new road/cycle path, m ² of space constructed/refurbished, number of businesses supported, learners engaged, etc)	We expect that if accomplished these outputs will lead to the following <u>change</u> e.g. new products or services, skills, behaviour, new business/contracts, etc: (Ensure that <u>all outcomes are SMART and relevant</u> to the aims/objectives to allow for <u>attribution</u> ; distinguish between direct and indirect outcomes)	We expect that if accomplished these activities will lead to the following changes in service, organisation or community: (quantitative economic impacts e.g. indirect jobs and/or GVA to be <u>cross-referenced</u> with FBC as appropriate)
▣ Increase the calculated baseline of homes retrofitted annually by a minimum of 33% by 2026.	▣	▣	▣	▣	▣
▣	▣	▣	▣	▣	▣

3. Evaluation design and methodologies

- Describe your key evaluation questions e.g. what do you want to find out?
 - Referring back to the outcomes and impacts stated in the logic model (section 2), describe your evaluation methodology (i.e. process, outcome or impact, or a combination).
 - Identify your audiences and evaluation stakeholders, and what their evaluation needs may be.
 - Are the scheme beneficiaries easily identifiable and accessible?
- (indicative 300 words)

4.1 Data collection methods

- Provide an overview of the data collection approaches including timing and frequency of data collection.
 - Describe links with other monitoring activities where relevant.
 - Where appropriate, provide maps showing the spatial coverage of the data collection.
- (indicative 250 words)

4.2 Data collection and establishing the baseline

- Refer to the scheme logic model to help structure the baseline data collection and reporting activities.

Inputs

Metric (inc. Target)	Unit	Frequency	Data source (& Responsibility)	Baseline date	Reporting to?
e.g. Expenditure	£, by source	Quarterly	Supplier invoices; Quarterly grant claims - Finance Officer	FBC at full approval on 29th June 2016	Highlight report; Project governance

Outputs

Metric (inc. Target)	Unit	Frequency	Data source (& Responsibility)	Baseline date	Reporting to?
e.g. New build - 6774m ²	m ²	Annual	Detailed design plans - Main building contractor	June 2016	Project governance, Yr1 evaluation report
e.g. homes/Affordable Homes delivered	number	annual	completions		
e.g. Biodiversity net gain	Habitat units	Annual	Developer/UA planning and ecology	[date]	UAs and Office for Environmental Protection

Outcomes and impacts

Metric (inc. Target)	Unit	Frequency	Data source (& Responsibility)	Baseline date	Reporting to?
e.g. Jobs connected to the intervention - 185 net additional jobs by 2020 (post-delivery), 1,160 net additional indirect jobs by 2025	# FTEs	Annual	Direct FTE numbers.	e.g. Jobs connected to the intervention - 185 net additional jobs by 2020 (post-delivery), 1,160 net additional indirect jobs by 2025	# FTEs

5. Delivery plan

- Provide a project plan and timeframe for data collection and reporting of monitoring and evaluation findings (i.e. when key activities will take place, including baseline work, interim and final findings).
(indicative 250 words)

6. Resourcing and Governance

- Provide details of the monitoring and evaluation budget, including details of source and what costs/activities this will pay for.
- Clarify procedures for risk management and any quality checking.
- Describe opportunities for different stakeholders to input into the scheme evaluation process.
- Provide a named contact responsible for delivering the plan, including name, address, telephone and email.
(indicative 250 words)

7. Dissemination

- Provide details of how the findings from the evaluation will be used. What will the evaluation inform and who will be the audience?
- Please provide details of how the findings from the evaluation will be communicated to key stakeholders and lessons disseminated.
(indicative 250 words)

21 March 2022

To whom it may concern

Outline business case submission - retrofit accelerator.

In developing the Authority's response to the climate emergency and our goal to achieve a net zero carbon economy by 2030 the Green Recovery Fund has been established. At their December meeting the Combined Authority gave approval for a £3m allocation from this fund, subject to business case, to the creation of a retrofit accelerator that would help to increase the rate and uptake of energy efficiency measures by private homeowners. The accelerator will provide a one-stop-shop approach for homeowners seeking to retrofit their properties, supporting and encouraging them from initial thoughts about improvements all the way through to the completion of high quality, appropriate and impactful works to their whole house.

The outline business case has been prepared for the April Committee with a value for money case based initially on the economic value of the carbon savings that would be realised if the accelerator encouraged a minimum, formula driven increase to the estimated number of retrofits that are currently completed each year. By this measure the accelerator delivers a positive value for money position of £1.33 for each £1 invested.

The business case also estimates the wider impact on jobs that the increased levels of physical works being carried out will create. Based on a European wide study that found that for each £1m that is spent on physical energy efficiency works to buildings, the business cases sets out that the projected £22m of increased expenditure on retrofit works that the accelerator will stimulate will create 418 new jobs. These jobs will likely be high skilled and non-transferable. By this value for money measure and using the average West of England GVA per job figure, the accelerator will generate a return of £7.50 for each £1 of funding sought.

Combined then, these two separate cases (jobs and carbon savings) deliver an estimate £8.33 for each £1 of funding requested. This modelling can be updated as the full business case is produced to also include the value of wider social and environmental impacts that could result from the accelerator, but the outline case delivers a healthy value for money return allowing me to give my support and approval to it.

Yours faithfully



Stephen Bashford
Director of Business and Skills.