

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 07 February 2023

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| TITLE | Bristol Heat Pump Ready Project | |
| Ward(s) | Westbury-on-Trym | |
| Author: | Alex Minshull | Job title: Sustainable City and Climate Change Manager |
| Cabinet lead: | Councillor Kye Dudd, Cabinet Member for Climate, Ecology, Energy and Waste | Executive Director lead: Stephen Peacock, Executive Director Growth and Regeneration and Chief Executive |
| Proposal origin: | BCC Staff | |
| Decision maker: | Cabinet Member | |
| Decision forum: | Cabinet | |
| Purpose of Report: | To note the submission of a bid for funding to the Department of Business, Energy and Industrial Strategy (BEIS) to increase the installation of heat pumps in Bristol and seek authority to implement the project on successful grant award. | |
| Evidence Base: | <ol style="list-style-type: none"> The City Council is working with partners to help achieve the goals of the One City Climate Strategy 2020. This action is set out in the BCC Climate Emergency Action Plan. A key area of activity is the replacement of gas heating in homes with heat pumps and to ensure households are able to access consistent high quality heat pump installations. BEIS is funding the Heat Pump Ready Programme with the aim to support the development and demonstration of heat pump technologies and tools; and solutions for the optimised deployment of heat pumps. Funded by BEIS and working with local organisations and community groups, the council undertook a six-month design and feasibility study on how to install heat pumps at high density. This factored in community engagement requirements, supply chain capacity, and ensuring excellent installation quality and long-term performance. Westbury on Trym was chosen as the location for the pilot because of the: <ul style="list-style-type: none"> Suitability of homes for heat pumps Prevalence of households who would be able to contribute towards the cost of installation Presence of Sustainable Westbury on Trym who had already begun engagement around heat pumps with residents Area having some larger than average house sizes with higher than average gas consumption, therefore, potentially providing the biggest impact per household on carbon reduction. There is strong demand within the community for projects to support the adoption of low carbon technologies. Sustainable Westbury On Trym have been central to the development of the project having previously undertaken engagement within the community around interest in heat pumps. Bristol City Leap will be an observer and adviser in the project and will look to maximise any learning so it can be used to support the deployment at scale of heat pumps in the future. | |

Cabinet Member/Officer Recommendations:

That Cabinet:

1. Note that Bristol City Council has submitted a proposal to the Department of Business, Energy and Industrial Strategy (BEIS) to implement a project to increase the installation of heat pumps in Bristol set out in Appendix A and the outcome of this is not yet known.
2. Authorise the Executive Director of Growth and Regeneration in consultation with the Cabinet Member Climate, Ecology, Energy and Waste; and S151 Officer, to, if successful, take all steps required to enter into contract with BEIS to accept and spend the funding of up to £3.3m (including procuring and awarding contracts over £500k) to implement the project as set out in proposals to BEIS and to make any amendments to the project as necessary for successful delivery.

Corporate Strategy Alignment:

The programme is focused on achieving the priority of ENV1 Carbon Neutral.

City Benefits:

1. Decarbonising the heating of up to 200 homes. Whilst this will lead to small reductions in the city's carbon emissions it will increase the knowledge and capability of the city to implement the heat pump goals of the One City Climate Strategy.
2. Creating new skills and jobs within the local supply chain heat pump installation and associated activities sector.
3. Increasing public understanding of heat pump technology to increase long term rate of uptake.

Consultation Details:

1. The project has been developed in partnership with community organisation Sustainable Westbury on Trym including workshops with residents.
2. Local city partners CSE and The Green Register have shaped the project whilst input has been received through an advisory group formed of local installers and wider supply chain.

Background Documents:

- The [One City Climate Strategy](#)
- [BCC Climate Emergency Action Plan](#)
- Full funding bid to BEIS
- Heat Pump Ready Phase 1 outputs presentation

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| Revenue Cost | New Costs Up to £3.3m | Source of Revenue Funding | BEIS Heat Pump Ready Innovation Grant if successful |
| Capital Cost | £ N/A | Source of Capital Funding | N/A |
| One off cost <input checked="" type="checkbox"/> | Ongoing cost <input type="checkbox"/> | Saving Proposal <input type="checkbox"/> | Income generation proposal <input type="checkbox"/> |

Required information to be completed by Financial/Legal/ICT/ HR partners:**1. Finance Advice:**

The report seeks approval from Cabinet to accept (if successful) the funding of £3.3m from the Department of Business, Energy and Industrial Strategy for the delivery of Heat Pump in 200 Homes in Bristol within a period of 2 years. The funding covers various aspects of setting up this innovative project with an aim to establish structure that enable subsequent roll-out to a wider customer base, including the Councils costs, Customer & supply chain management, and the costs of switching from Boiler to heat pumps.

The grant award/conditions do not require match-funding from the Council and the heat pump implementation will

be funded by both the grant from BEIS and funding from homeowners. Homeowner will be responsible for making the final decision but will benefit from grouped purchasing power from the suppliers, and a preliminary survey which will identify the best options for individual homes.

The Council will be required to deliver the expected outputs and will ensure that this responsibility and risk is transferred to all delivery partners. All sub-contractors will operate on a fixed price contract, thus, removing the risk of cost overrun from the Council. As a result, there will be no adverse financial impact on council budgets in accepting this funding.

Table 1 below show a summarised spending plan of the £3.3m that will be delegated (subject to Cabinet approval):

Table 1

| Cost Summary | Amount | % |
|------------------------------------|------------------|----------|
| Project management | 252,464 | 7.6% |
| Infrastructure | 1,019,325 | 30.60% |
| Supply Chain & Customer Management | 1,014,800 | 30.50% |
| Financial Support | 1,045,000 | 31.40% |
| Total | 3,331,589 | |

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner for Growth and Regeneration, 24th January 2023.

2. Legal Advice: The submission of a bid for funding raises no particular legal issues. If successful, the procurement process must be conducted in line with the 2015 Procurement Regulations and the Council's own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 10 January 2023

3. Implications on IT: I can see no implications on IT in regard to this activity

IT Team Leader: Alex Simpson – Senior Solution Architect 6 January 2023

4. HR Advice: The project will involve existing BCC staff and their costs will be met fully from the project. There will be no need to recruit additional staff. Any changes in staff roles will be agreed with the individuals involved.

HR Partner: Celia Williams - HR Business Partner 11 January 2023

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| EDM Sign-off | G&R EDM | 14 December 2022 |
| Cabinet Member sign-off | Councillor Kye Dudd, Cabinet Member for Climate, Ecology, Energy and Waste | 12 December 2022 |
| For Key Decisions - Mayor's Office sign-off | Mayor's Office | 9 January 2023 |

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| Appendix A – Further essential background / detail on the proposal Project Summary | YES |
| Appendix B – Details of consultation carried out - internal and external | NO |
| Appendix C – Summary of any engagement with scrutiny | NO |
| Appendix D – Risk assessment | NO |
| Appendix E – Equalities impact assessment of proposal | YES |

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| Appendix F – Eco-impact impact assessment of proposal | YES |
| Appendix G – Financial Advice | NO |
| Appendix H – Legal Advice | NO |
| Appendix I – Exempt Information | NO |
| Appendix J – HR advice | NO |
| Appendix K – ICT | NO |
| Appendix L – Procurement | NO |