

REPORT TO: Cabinet Member – Technical
Cabinet Member – Environmental
Cabinet Member - Regeneration
Cabinet

DATE: 2nd December 2009
16th December 2009
16th December 2009
17th December 2009

SUBJECT: Potential Funding Opportunity 1- Energy Efficiency & Renewable
Energies in Social & Low Income Housing

WARDS AFFECTED: All Wards

REPORT OF: Alan Moore, Deputy Chief Executive and Strategic Director
Andy Wallis – Planning and Economic Regeneration Director

CONTACT OFFICER: Mo Kundi X3447

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To inform Members of the resources being made available under the North West Operational Plan for improving energy efficiency and the installation of renewable energies in social and low income housing in Merseyside, and to seek Members' views on Sefton Council being the accountable body for a sub-regional project.

REASON WHY DECISION REQUIRED:

For Sefton to take on the financial and legal responsibility of being an accountable body for a sub-region project requires Cabinet approval.

RECOMMENDATION(S):

That Cabinet Members for Technical, Environmental and Regeneration:-

1. Note the report, and that the

Cabinet:-

2. Note the Expression of Interest submitted to North West Regional Authority, and
3. Support the principle of Sefton Council being the accountable body for this sub-regional bid, subject sufficient external funding being made available for the management of the project, and Cabinet approval.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: After the call in period

ALTERNATIVE OPTIONS:

Some legislation is already in place, and more is planned, which will impose statutory duty on local authorities to take action to address the adverse impact of climate change. By

taking advantage of the ERDF funding being made available, and being an accountable body for the sub-region project provides a unique opportunity to progress both the climate reductions, and low carbon economy agenda.

IMPLICATIONS:

Budget/Policy Framework:

Financial: There are no direct financial implications as a result of this report.

| <u>CAPITAL EXPENDITURE</u> | 2006/ 2007 £ | 2007/ 2008 £ | 2008/ 2009 £ | 2009/ 2010 £ |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Gross Increase in Capital Expenditure | | | | |
| Funded by: | | | | |
| Sefton Capital Resources | | | | |
| Specific Capital Resources | | | | |
| <u>REVENUE IMPLICATIONS</u> | | | | |
| Gross Increase in Revenue Expenditure | | | | |
| Funded by: | | | | |
| Sefton funded Resources | | | | |
| Funded from External Resources | | | | |
| Does the External Funding have an expiry date? Y/N | When? | | | |
| How will the service be funded post expiry? | | | | |

Legal: N/A

Risk Assessment: N/A

Asset Management: N/A

| |
|--|
| CONSULTATION UNDERTAKEN/VIEWS Technical Services Environmental Services Leisure and Tourism Legal Finance |
|--|

CORPORATE OBJECTIVE MONITORING:

| <u>Corporate Objective</u> | | <u>Positive Impact</u> | <u>Neutral Impact</u> | <u>Negative Impact</u> |
|-----------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| 1 | Creating a Learning Community | / | | |
| 2 | Creating Safe Communities | / | | |
| 3 | Jobs and Prosperity | / | | |

| | | | | |
|---|---|---|--|--|
| 4 | Improving Health and Well-Being | / | | |
| 5 | Environmental Sustainability | / | | |
| 6 | Creating Inclusive Communities | / | | |
| 7 | Improving the Quality of Council Services and Strengthening local Democracy | / | | |
| 8 | Children and Young People | / | | |

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT
Report to Leaders Group meeting on 19th November 2009

1.0 Background

- 1.1 Members may be aware of a report entitled 'The Development Low Carbon Economy in response to Climate Change, being presented to Cabinet Member Environment (18th November 2009), Cabinet Member Technical Services (18th November 2009), Cabinet Member Regeneration (23rd November 2009), and the Cabinet on 25th November 2009.
- 1.2 The report sets out the various national climate change legislation and regulations that will impose statutory duties and obligations on local authorities to tackle climate change by introducing low carbon policies and practices in housing, transport, regeneration, environmental protection, planning and other key services. Local authorities are also expected to play an important role in raising awareness and influencing change more widely by working with its partners and stakeholders.
- 1.3 The UK Government is committed to reducing carbon emissions by 34% on 1990 levels by 2020, and 80% by 2050.
- 1.4 Reference was also made in the Cabinet report that carbon reduction commitment must lead to a reduction in CO₂ from buildings within the Council, workplaces, and the domestic housing stock across social and private rented sectors plus owner occupied. Energy efficiency measures will be extremely important as they can account for up to 40% of the required CO₂ reduction targets.
- 1.5 Central Government has recognised this and is currently making available £7 billion between 2008-11 through the following energy efficiency programmes:-
- Energy supplier/generator obligations of the Carbon Emissions Reduction Target (£2.8 billion)
 - Community Energy Saving Programme (CESP) (£350 million)
 - Additional Energy Efficiency Obligation (£560 million)
 - Warm Front (£874 million)
 - Decent Homes (£2.2 billion)
 - Social Housing Energy Saving Programme (£84 million)
 - Winter Fuel Payments for older people (£2.7 billion per year).
- 1.6 In addition to the above, and as part of the European Economic Recovery Plan, the European Commission has also agreed to allow up to 4% (£29 million) of ERDF Programme resources to be devoted to domestic energy efficiency and renewable actions. In August 2009, the Department for Communities and Local Government issued the guidance that measures should be directed at existing social housing as defined in Articles 68 – 70 of the Housing and Regeneration Act 2008.
- 1.7 Article 68 of the Housing and Regeneration Act 2008 defines social housing as:-
1. low cost rental accommodation and
 2. low cost home ownership accommodation

In the case of (1), accommodation is low cost rental if:-

- (a) it is made available for rent
- (b) the rent is below market rate, and
- (c) the accommodation is made in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market

In the case of (2), accommodation is low cost home ownership if:-

- (a) the accommodation is occupied, or made available for occupation, in accordance with shared ownership arrangements, equity percentage arrangements, or shared ownership trusts: and
- (b) the accommodation is made available in accordance with rules designed to ensure that it is made available to people whose needs are not adequately served by the commercial housing market.

1.8 In response to the above, the Regional Development Agency, had issued a call for the submission of a sub-regional bid that seeks to directly stimulate the market for low carbon and environmental technologies and renewable energies via their application within existing social and low income housing. As the deadline for the submission of Expression of Interest was 9th November 2009, officers from the five local authorities, plus Halton, and representatives from local universities, RSLs, and Utilities have submitted a proposal, a copy of which is attached. Briefly the project will address the following:-

1. Physical housing improvement works to reduce CO2 emissions:
 - ◆ Partners will be commissioned to deliver elements of the targets to ensure complementarity and reduced risk on programme delivery
 - ◆ Large scale innovative programmes of work to tackle hard to treat properties all across Merseyside will be funded (e.g. external wall insulation and ground or air source heat pumps as appropriate to upgrade “No fines Wimpey” housing stock)
 - Diversity of tenures will be tackled although most will be targeted at reaching the private rented and social landlord sector
 - Diversity of measures (including all appropriate microgeneration technologies, upgrading low carbon emission heating technologies and a variety of solid wall insulation technologies). Particular consideration will be given here to measures that have the best change of success in the North West given the current or potential regional strengths, e.g. high efficiency lighting, solar thermal or biomass as evidenced by the NWDA and Envirolink Northwest.
2. Developing small-to-medium sized enterprises (SMEs) and the local supply chain:
 - ◆ Development programmes for upskilling existing trades people to future-proof them to changing markets for safeguarding jobs
 - ◆ Developing capacity of existing SMEs through awareness and guidance of required public sector standards. Additionally opportunity will be through greater markets and generating opportunities for long-term employment and business growth.
 - ◆ Integration with other schemes with particular reference to Future Jobs Fund

3. Growing the market for a low carbon economy through renewables and energy efficiency:
 - ◆ Raising awareness of and demand for technologies among the public, commissioners and designers will raise demand for Low Carbon and Environmental Goods and Services (LCEGS)
 - ◆ Pump priming the market with these hard to treat technologies will create a local industry base and legislature in the sub-region ready to deliver forthcoming agendas such as a Home Energy Saving Strategy (due to start in 2013)
 - ◆ Stimulating the existing low carbon economy will attract more investment and interest in this area for new and emerging SMEs as this funding will attract an estimated £15 million of which up to a possible £11 million will be submitted as match funding from the utilities such as that proposed in the partnership between British Gas and Knowsley Council under the CESP
 4. Evaluation and local learning:
 - ◆ Use of local universities and local enterprises for both new research and evaluation of programmes
 5. Engage with the private landlord sector to complement the ongoing work on a sub-regional accreditation scheme.
- 1.9 The result of the submitted Expression of Interest is expected on 30th November 2009, the outcome of which will be reported verbally at the meeting.

2.0 Comments

- 2.1 If approved by the Regional Development Agency, this project has the potential to kick-start the carbon reduction agenda, particularly by addressing hard to reach residential properties, and at the same time commence the process of developing local SMEs and supply chains for the future. This would safeguard existing jobs and create new job opportunities.
- 2.2 The Expression of Interest submitted does not state who the accountable body should be for this project. Members may be aware that currently Sefton and Wirral are the only two authorities that do not manage a sub-regional project, although under the previous Objective 1 Programme, Wirral was the accountable body for the Mersey Waterfront Programme.
- 2.3 Members may also be aware that under the Objective 1 Programme, Sefton Council was the only authority to have an Action Plan within the sub-region, whereby the authority to appraise, assess, control, manage, and deliver projects was delegated to Sefton by the Government Office. As a result significant experience and expertise exists within the Council to undertake this new project, although the scale and geographical spread would be significantly bigger, and would require additional resources. The ERDF monies could be used for the administration of the bid, and the Consortia as agreed this as a practical way forward. It is estimated this is likely to be in the region of £0.5 million to £1.0 million over five years.
- 2.4 Taking on the accountable body status will, however impose financial and legal responsibilities on the authority. As with other local authorities responsible for delivering sub-regional projects, legal agreements and SLAs would have to be

agreed with all partners, and the delivery of activities relating to the project would have to be pro-actively managed, and co-ordinated.

- 2.5 Notwithstanding the above, the benefits of Sefton Council being the accountable body would allow the authority to develop expertise and experience in areas, which are likely to offer significant economic and social benefits as well as address the climate change, and low carbon economy agenda.

Expression of Interest (Energy Efficiency and Renewable Energy in Social and Low Income Housing specific call)

Please refer to the enclosed guidance note when completing this form.

| | | |
|----------------------|---------------------------|--|
| NWDA office use only | Project reference number: | |
|----------------------|---------------------------|--|

1. Applicant details:

| | | | |
|---------------------------------|---|---|---|
| Contact Name: | David Colbourne | | |
| Position in Organisation: | Sustainable Energy Officer | | |
| Organisation: | Sefton Council | | |
| Address inc Post Code: | 4 th floor Magdalen House, Trinity Rd, Bootle, L20 3NJ | | |
| Nature of Business: | Public Sector <input checked="" type="checkbox"/> | Private Sector <input type="checkbox"/> | Third Sector (VCS) <input type="checkbox"/> |
| Telephone Number(s): | Office:0151 934 4216 | Mobile: | |
| E-mail Address: | david.colbourne@technical.sefton.gov.uk | | |
| Website: | www.sefton.gov.uk | | |
| Date of Expression of Interest: | 09 November 2009 | | |

2. Project Outline:

| | | | |
|----------------------------------|--|--|--|
| Project Name: | Merseyside (REECH) Renewables and Energy Efficiency in Community Housing | | |
| Project Activity Area (tick one) | Local <input type="checkbox"/> | Sub-Regional <input checked="" type="checkbox"/> | Regional <input checked="" type="checkbox"/> <i>including Halton</i> |
| Proposed Start Date: | 01/4/10 | Expected end date: | 31/3/13 |

3. Strategic Fit: / Eligibility with the ERDF North West Operational Programme (NWOP)

Please state whether you are applying under Action Area 1.3 or 2.1 and detail the supporting rationale for this. Please refer directly to the relevant Investment Framework 'Housing Annex' and Guidance' document, all of which can be found at www.erdfnw.co.uk/funding.

| | |
|---------------------------|-----|
| Priority Action Area Ref: | 1.3 |
|---------------------------|-----|

Supporting rationale:

The Liverpool City Region (LCR) REECH project seeks to directly stimulate the market for low carbon/ environmental technologies and energy generation via the application of 5,000 measures within existing social and low income housing. Further to the full output profile detailed in Section 6, this will result in:

- 28 jobs being created and a further 30 safeguarded
- An annual increase in gross valued added (GVA) as a result of this programme of £3,510,000
- A net change in overall CO2 emissions of 3,357 tonnes per annum

Such interventions impact positively on EU regulations on social cohesion by addressing imbalances and accord strongly with the objectives of Priority Action Area 1-3 (Increasing Sustainable Consumption and Production). Notably, the project makes significant contributions to Strands 4 and 5 as well as relating to

Strand 1 of Investment Framework AA1-3. This is as detailed below:

STRAND 4 - Expanding the development, demonstration and market development for low carbon technologies and processes in the North West. To support Strand 4 the REECH will:

- a) Channel investment into the demonstration and application of near/ new to market low carbon technologies in existing hard to treat homes to assist their progression to commercial market, e.g. solid wall insulation**
- b) Co-ordinate the capacity of LCEGS businesses to respond to growing market opportunities in the Environmental Technologies (ETS) sector**
- c) Showcase demonstrator projects to highlight innovation, raise awareness and exemplify best practise**
- d) Maximise research and knowledge transfer opportunities between Low Carbon and Environmental Goods and Services (LCEGS) businesses and University partners to expedite product development of low carbon technologies.**

STRAND 5 - Supporting the installation and use of current low-carbon/ low-resource technology and processes. To support Strand 5 the REECH will:

- a) Engage with the regions LCEGS businesses providing sustainable procurement, business support and product development opportunities**
- b) Retrofit low carbon technologies to increase the power and thermal efficiency and reduce the fuel bills of hard to heat homes, e.g. installation of smart metres with real time energy display in support of the Government target of rollout by 2020 (which also supports Strand 4 below)**
- c) Install microgeneration technologies to complement standard insulation measures/ general property improvements**
- d) Develop an area wide low carbon power generation and heating scheme**
- e) Support professional development amongst Professional Services to strengthen the Environmental Technologies & Services (ETS) sector.**

STRAND 1 - Supporting innovative approaches to changing culture and embedding sustainable behaviours and management practices.

The project also encompasses a proposal to part fund a specialist team of Home Energy Advisors who would focus on providing indepth tailored communication, awareness raising and attitudinal work onsite to the owner/occupiers of the hard to treat homes. This would be provided by the Energy Savings Trust as part of its wider programme management support for REECH. It is vital that regular contact is managed with the owner/occupiers of the homes before, during and after the measures are installed to help them understand the impact of the changes on their fuel bills and carbon savings and to encourage them to take further action. If advanced this would help to reduce energy consumption and carbon emissions, directly contributing to Strand 1 of Investment Framework AA1-3.

These interventions draw upon the preferred approach outlined within the Fraser Associate Report (August 2009) and for one programme of activity for Merseyside approved by The Merseyside Partnership in line with the Guidance Note for Applicant relevant to this call.

4. SRAP Fit: *How does your proposal fit with the appropriate Sub-Regional Action Plan(s) or housing and energy strategies?*

This proposal directly supports one of the primary economic drivers identified within the Liverpool City Region (LCR) Multi Area Agreement (MAA) namely:

Transformational Action Area 3 – Low Carbon Economy

REECH helps to address one of the main sources of carbon in the sub-region – emissions from residential buildings. By directing action towards the reduction of the carbon output from residential buildings and increased take-up of renewables and energy efficient technologies, the project helps to support innovation, enterprise and LCEGS sector development, moving the sub-region a step closer to its low carbon ambition.

Furthermore, the project also aligns with the housing priorities outlined within the MAA to:

- Improve the quality and environmental impact of existing housing
- Channel European Structural Funds to support energy efficiency and affordable warmth programmes, with associated training/ employment opportunities
- Improve the condition of private rented stock to provide higher quality housing options
- Focus and co-ordinate resources to secure the regeneration of Vulnerable Housing Market Areas (worst 15%) identified within the LCR Housing Strategy.

In addition, REECH responds to some of the key intervention areas highlighted within the ‘Mini-Stern’ study, ‘The Economic Impact of EU and UK Climate Change Legislation on Liverpool and Liverpool City Region,’ as detailed below:

- Sector development for ETS
- Skills capacity in sustainable construction
- Energy efficiency in social rented housing
- Energy efficiency in private rented housing.

This is aligned to the wider existing NWDA Regional Economic Strategy and its Climate Change Action Plan to encourage the installation of renewable and energy efficient technologies and maximise the regional access to financial mechanism to reduce upfront costs for householders including the fuel poor (Action 7.2) and the Regional Spatial Strategy and its Sustainable Energy Strategy for plans to promote the sustainable production and consumption of energy (EM15, EM16, and EM17). Furthermore the Regional Housing Strategy also has the objective of “continuing to raise the quality of the existing housing stock”.

The Merseyside Affordable Warmth Strategy also calls for joint action and co-ordinated work to address Fuel Poverty as its serious subregional issue recognised nationally due to the scale of the impact.

In terms of additionality, REECH will complement and leverage other discrete low carbon community schemes within the sub-region. This will include the recently announced Community Energy Saving Programme (CESP) partnership by the energy supplier British Gas with Knowsley Council and possible proposals for Carbon Energy Reduction Targets (CERT), the Energy Saving Trust’s PAYS, DECC Low Carbon Community Challenge, and Ofgem’s Low Carbon Networks Fund.

5. Project Description: *Please provide a brief (bullet point) description of the project including what the funding will actually be used for.*

REECH is predominantly concerned with developing the capacity of the sub-region's LCEGS providers, encouraging it to develop and implement new approaches to tackle an identified need in the housing stock. The latest fuel poverty figures published in October 2009 by national Government show that the North West has the highest number of households in fuel poverty at nearly 0.5 million which is 17% of the total number of households. The poor historical housing stock and low incomes experienced across Merseyside make this area an opportunity to pilot and develop new innovative approaches and methods. By addressing market failure through the installation of low carbon technologies in hard to treat homes Merseyside will increase GVA and jobs created or safeguarded in this sector and in addition will help to alleviate fuel poverty and reduce carbon emissions for the sub-region and wider region. This will be achieved by developing local capacity to target social and low income housing where traditionally these measures have been targeted at the more affluent or the fuel rich or able to pay.

So for instance, specifically in terms of the CESP partnership between British Gas and Knowsley Council, this involves 14 of the 10% most deprived Lower Super Output Areas (LSOA) in the income domain of the Index of Multiple Deprivation (2007). Notably where the hard to treat properties are "No fines Wimpey" and "Camus" construction. Approximately 1,335 targeted households from a mix of 5 tower blocks, 62 flats and 823 terraced houses in Stockbridge Village will possibly benefit from a variety of measures including external cladding and biomass boilers.

Building on this a co-ordinated and diverse mixture of low carbon programmes by key housing bodies will create a learning environment, central access point and a whole greater than the sum of parts across Merseyside. This is as detailed below:

Physical housing improvement works to reduce CO2 emissions:

- ◆ Partners will be commissioned to deliver elements of the targets to ensure complementarity and reduced risk on programme delivery
- ◆ Large scale innovative programmes of work to tackle hard to treat properties all across Merseyside will be funded (e.g. external wall insulation and ground or air source heat pumps as appropriate to upgrade "No fines Wimpey" housing stock)
 - Diversity of tenures will be tackled although most will be targeted at reaching the private rented and social landlord sector
 - Diversity of measures (including all appropriate microgeneration technologies, upgrading low carbon emission heating technologies and a variety of solid wall insulation technologies). Particular consideration will be given here to measures that have the best change of success in the North West given the current or potential regional strengths, e.g. high efficiency lighting, solar thermal or biomass as evidenced by the NWDA and Envirolink Northwest.

Developing small-to-medium sized enterprises (SMEs) and the local supply chain:

- ◆ Development programmes for upskilling existing trades people to future proof them to changing markets for safeguarding jobs
- ◆ Developing capacity of existing SMEs through awareness and guidance of required public sector standards. Additionally opportunity will be through greater markets and generating opportunities for long term employment and business growth.
- ◆ Integration with other schemes with particular reference to Future Jobs Fund

Growing the market for a low carbon economy through renewables and energy efficiency:

- ◆ Raising awareness of and demand for technologies among the public, commissioners and designers will raise demand for LCEGS
- ◆ Pump priming the market with these hard to treat technologies will create a local industry base and legislature in the sub-region ready to deliver forthcoming agendas such a Home Energy Saving Strategy (due to start in 2013)
- ◆ Stimulating the existing low carbon economy will attract more investment and interest in this area for new and emerging SMEs as this funding will attract an estimated £15 million of which up to a possible £11 million will be submitted as match funding from the utilities such as that proposed in the

partnership between British Gas and Knowsley Council under the CESP

Evaluation and local learning:

- ◆ Use of local universities and local enterprises for both new research and evaluation of programmes
- ◆ Engage with the private landlord sector to complement the ongoing work on a sub-regional accreditation scheme.

6. Output Profile: *Please state how your project will contribute to delivery of the overall Programme targets. Again, you should refer to the Investment Frameworks 'Housing Annex' and Guidance note, available on the ERDF website - www.erdfnw.co.uk/funding*

| | |
|--|------------|
| No of Businesses assisted to improve performance | 100 |
| No of Businesses assisted to reduce industrial and commercial waste | 0 |
| No of Jobs created | 28 |
| No of jobs safeguarded | 30 |
| no of business with reduced industrial or commercial waste | 0 |
| No of applications of low carbon technologies | 5000 |
| Reduction in annual CO2 emissions from programme interventions (tonnes pa) | 4,476 |
| Annual increase in GVA as a result of the programme | £3,510,000 |
| Increase in employment | 52 |
| Net change in overall CO2 emissions (tonnes pa) | 3,357 |

Please outline your rationale in calculating these outputs:

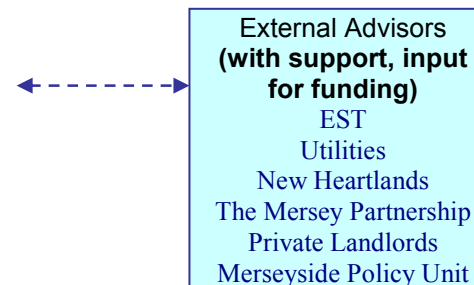
These outputs have been calculated using existing project ideas and an illustrative mix of measures. Use of the Energy Saving Trust economic and emissions assessment tools has been employed to gauge levels of outputs based on renewable and energy efficiency measures.

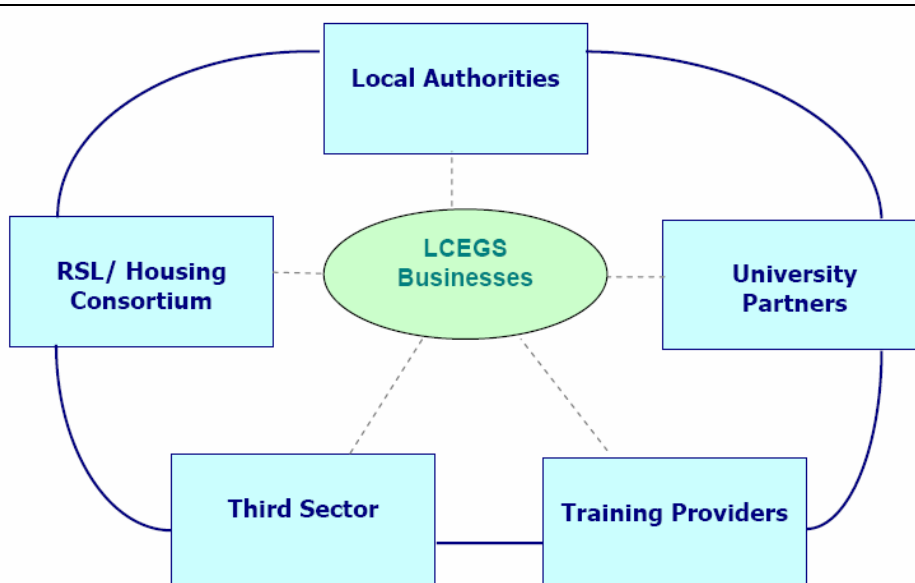
7. Partnerships and links to other activities: *Please provide detail on the partnership arrangements for this 'programme of activity', highlighting which organisations will be involved in the delivery of activities (and what they will be responsible for) and how this project links into other initiatives and programmes.*

Partnership Arrangements

This project encompasses a multi-agency approach at the sub regional level, as detailed below.

Figure 1 – Key Partners





Local authority partners comprise all 5 Merseyside unitary bodies - Knowsley, Liverpool, Sefton, St Helens, and Wirral with the addition of Halton to complement the Liverpool City Region partnerships (also many of the active RSL partners have significant stock Halton thereby providing a more natural boundary. One of the 6 LCR local authorities will lead the project and act as accountable body. This role will be finalised during the full application process. REECH will be also supported in this regard by an established Steering Group with representation from the project partners detailed in Figure 1, in addition to Merseyside Policy Unit and The Mersey Partnership.

The councils will work in close collaboration with Registered Social Housing providers include Plus Dane Group, Riverside, Liverpool Housing Trust, Venture Housing, Liverpool Mutual Homes, Helena Partnerships, Halton Housing Trust, One Vision Housing, Knowsley Housing Trust, Regenda and Wirral Partnership Homes. With more to follow. This will ensure the project targets the most suitable households.

Capacity building, Awareness Raising among SME of upcoming Low Carbon economy opportunities and skills development will be provided by partners drawn from third sector or social economy in the form of Fusion 21 and the Merseyside Network for Europe.

The scheme will be complemented by the input of educational partners in the form of Liverpool John Moores University and University of Liverpool who will provide robust academic research and oversight.

Critically, dedicated technical advice on low carbon living and general programme support capacity will also be drawn from the Energy Savings Trust utilising and building on their existing infrastructure.

Finally, the REECH project will also complement and leverage wider work on low carbon communities with utility partners like British Gas with Knowsley Council on CESP.

This indicative model will provide a critical platform to engage with LGECS businesses, identifying those that need support or appropriate assistance to optimise success. This engagement is likely to involved collaboration with multiplier agents which might include, but is not restricted to, the likes of Business Link Northwest and Envirolink Northwest.

Opportunities for collaborative and co-ordinated working with other complementary initiatives and programmes will be progressed in more detail throughout the project development phase.

Should this enquiry be successful the consortium partners would wish to support and include other successful enquiries either at subregional level or regional initiatives looking to operate in the REECH area to maximise co-ordinated and greater impact on the deprived areas.

8. Funding: *What are the estimated costs of the project? (including capital / revenue split). Please note, figures given below should relate only to the 'eligible' spend, apportioning out any activity that is not part of the ERDF funded activity.*

| | | | |
|--|--|---|---|
| Total Project Cost (£'s): | £22.8 million (£22 million is Merseyside element) | Capital (£'s) | £18.5 million |
| | | Revenue (£'s) | £3.5 million |
| Total ERDF Funding Required (£'s): | £11.4 million (£0.4 million from outside Merseyside allocation) | Capital (£'s) | £10 million |
| | | Revenue (£'s) | £1 million |
| Total Match Funding Required (£'s): | | Has this match funding been confirmed in writing? | |
| NWDA <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input type="checkbox"/> | NB: Written confirmation that your match funding is secured, or that a named source has been identified and agreed, must be attached to this application. |
| Other Public <input checked="" type="checkbox"/> | £1 million | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Private <input checked="" type="checkbox"/> | £10.4 million | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| Other <input type="checkbox"/> | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |

| Estimated spend profile (£'s) | Yr1 (2010) | Yr2 (2011) | Yr3 (2012) | Future Years | Totals |
|-------------------------------|------------|------------|------------|--------------|------------|
| Capital (£'s) | 2,300,000 | 9,400,000 | 7,800,000 | 1,000,000 | 19,500,000 |
| Revenue (£'s) | 750,000 | 1,000,000 | 1,550,000 | 250,000 | 3,300,000 |
| Totals (£'s) | 3,050,000 | 10,400,000 | 9,350,000 | 1,250,000 | 22,800,000 |

9. Apportionment of funding: *Please tell us if any of the finances shown above need to be apportioned between SME and residential activity, showing the estimated split.*

It is estimated that 84% of the funding will be spent on residential, however it is envisaged that SMEs will be the chief contractors and hence responsible for 50% of the delivery also. Workstreams will be deliberately apportioned in multiple blocks to ensure smaller local contractors can deliver and avoid diseconomies of scale encountered when trying to procure a single contractor for multiple specialisms where each risk element adds an additional cost and management fee. REECH will work collaboratively with British Gas to help ensure its whole project management of CESP including use of suppliers appropriately supports local SME provision.

Thank you for completing this Expression of Interest Form.
Please return it via e-mail to erdf@nwda.co.uk