

EQUALITY IMPACT ASSESSMENT - CCC526203059

Which service and directorate are you submitting this for (this may not be your service and directorate):

Directorate	Service	Team
Climate Change & Energy Service	Energy Programme Manager	Energy Team

Your name: Chris Parkin

Your job title: Community Energy Manager

Your directorate, service and team:

Directorate	Service	Team
Climate Change & Energy Service	Energy Programme Manager	Energy Team

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Proposal being assessed: Heat Pump Ready - Friday Bridge

Business plan proposal number:

Key service delivery objectives and outcomes: To meet the Council's 2045 Net Zero Carbon target for the county heating in all homes needs to be decarbonised. Heat pumps are the key low carbon heating technology to deliver this. However heat pumps are not however a direct drop in replacement for boilers. They require assessment of the compatibility of the existing central heating system and frequently require replacement of radiators and installation of new hot water cylinders. They are also more costly to install than a conventional boiler. Heat pumps also have the potential to reduce heating costs, but this is dependent upon the specifics of the property and relative pricing of gas v electricity. At current energy prices, for an average property, heating costs are comparable with gas heating costs. Government has announced that it will start to rebalance electricity v gas costs from the end of 2024 to make heat pumps cheaper to run. The proposal is to trial a new One Stop Shop for domestic heat pump installation where residents can seek: online feasibility assessment; free surveys, installation design and quotations; book installation; and receive handover documents. The proposal will also investigate the demand for and feasibility of low cost loans to supplement grant funding towards the capital cost of heat pump installation.

What is the proposal: The proposal is to trial a One Stop Shop approach, hyper-local marketing and affordable finance. The One Stop Shop aims to simplify the customer journey, by providing a single point of contact for all aspects of the heat pump installation process. The affordable finance element aims to make the cost of installation less of a barrier. The trial area is Friday Bridge in Fenland. The trial is funded by a £1.8 million central Government grant. The report seeks approval for the procurement of contractor(s) for the survey, installation design and installation of domestic heat pumps as part of the One Stop Shop offer. It also notes that the feasibility of, and demand for, low cost loans is being investigated and that there will be a stage gate report to Committee in

November to seek a decision before any installation work goes ahead.

What information did you use to assess who would be affected by this proposal?:The Heat Pump Ready Phase 1 feasibility report. This identified that there are 7 secondary substations in Friday Bridge serving 569 properties. Central Government grant funding for the installation work requires that at least 25% of the homes on one or more substation will be retrofitted with a heat pump. The proposal will target 146 heat pump installations, but numbers will reduce if the 25% threshold can be met on fewer than 7 substations.

Are there any gaps in the information you used to assess who would be affected by this proposal?: No

Does the proposal cover: All service users/customers/service provision in specific areas/for specific categories of user

Which particular employee groups/service user groups will be affected by this proposal?: No employee groups are affected. Residents in Friday Bridge are affected. The proposal will give them access to free surveys, installation designs and quotations for heat pump installation. The surveys will also conduct a whole house retrofit assessment for other recommended energy efficiency measures e.g. insulation upgrades, solar PV etc to the relevant industry standard. If, at the stage gate in November, Committee approves proceeding to installation residents will have access to £5k grant towards installation costs. Heat pumps will also be supplied at bulk discount and cost savings passed on to residents. If a loan offer proves viable this will be administered by an FCA regulated, Community Interest Company. They have a track record ok making affordable finance available to groups who struggle to access finance from mainstream lenders due to their consideration of individual customer circumstances rather than relying on one-size fits all algorithm assessments of loan eligibility. The majority of the Friday Bridge trial area is within the third decile for Indices of Multiple Deprivation i.e. within the 30% most deprived areas in England (but not within the 20% most deprived).

Does the proposal relate to the equality objectives set by the Council's Single Equality Strategy?: Yes

Will people with particular protected characteristics or people experiencing socio-economic inequalities be over/under represented in affected groups: Over represented

Does the proposal relate to services that have been identified as being important to people with particular protected characteristics/who are experiencing socio-economic inequalities?: Yes

Does the proposal relate to an area with known inequalities?: Yes

What is the significance of the impact on affected persons?:The proposed One Stop Shop will make heat pumps more accessible to residents by: simplifying the customer journey; providing free surveys and installation design; providing access to a qualified, trusted installer; potentially providing access to affordable loans if there is a demand and this is feasible at no cost or risk to the Council. Installation design will include assessing impacts on energy bills. Installations are likely to reduce energy bills in a significant proportion of cases. If Government delivers on its commitment to rebalance gas and electricity costs, heat pump installations are likely to reduce energy bills in the majority of cases. The procurement of contractor(s) for survey, installation design and installation (that is the specific decision requested of this Committee) does not directly impact on residents, but is an enabler for the above impacts.

Category of the work being planned: Policy

Is it foreseeable that people from any protected characteristic group(s) or people experiencing socio-economic inequalities will be impacted by the implementation of this proposal (including during the change management process)?: Yes

Please select: Socio-economic inequalities

Research, data and /or statistical evidence: Indices of Deprivation 2019 data was used to identify the Friday Bridge trial area as being within the third decile for Indices of Multiple Deprivation English indices of deprivation 2019: Postcode Lookup (opendatacommunities.org)

Consultation evidence: Phase 1 of the Heat Pump Ready project included engagement by Peterborough Environment City Trust with 102 Friday Bridge residents in the second half of 2022. This identified that a local, trusted and accredited supplier with communication from the Local Authority would be the preferred route for heat pump installation. The proposal is a trial and the next stage (up until November) will include more resident engagement and gather more evidence of: the demand for heat pump installation; the cost of heat pump installations in Friday Bridge properties; the projected impact on energy bills. This will be reported to Committee in November to inform a decision on whether to proceed to installation.

Based on all the evidence you have reviewed/gathered, what positive impacts are anticipated from this proposal?: Access to free heat pump installation design. Improved affordability of heat pump installations. Savings on energy bills. This will be confirmed by the surveying and design work taking place between now and November which will inform a Committee decision in November on whether to proceed to installation.

Based on consultation evidence or similar, what negative impacts are anticipated from this proposal?: None. In principle heat pump installation could increase energy bills for some properties. However, survey and installation design conclusions on energy bill impact will be shared with residents. Where this identifies an increase in bills the resident is unlikely to decide to proceed to installation.

How will the process of change be managed?: Friday Bridge residents are being engaged with by mailshots, website, door to door engagement and community open events to provide more information on the proposed service and gather feedback. This engagement aims to contact all 569 homes in the trial area.

How will the impacts during the change process be monitored and improvements made (where required)?: The proposal is an innovation project and will be closely monitored for reporting to central Government. This will include monitoring projected and actual installation costs, resident demand for installations, resident demand for loans, satisfaction with installation work and operational running costs. Post installation monitoring will be conducted by the Carbon Trust and IPSOS.

Equality Impact Assessment Action Plan:

Details of negative impact (e.g. worse treatment/outcomes)	Groups affected	Severity of impact	Action to mitigate impact with reasons/evidence to support this or justification for retaining negative impact	Who by	When by
<p>In principle heat pump installation could increase energy bills for some properties. However, projected bill impact will be made clear in installation proposals to residents. It is unlikely that properties where a bill increase will choose to proceed with installation. An adverse shift in energy prices i.e. an increase in electricity costs relative to gas costs would shift more installations into a negative impact on energy bills.&nbsp;</p>	<p>Socio-economic inequalities</p>	<p>Low</p>	<p>Transparency: residents will be presented with projected impact on energy bills as part of the installation design proposal. Cautious Energy Price Assumptions: assumptions on gas prices v electricity prices in the above will include a margin of caution. Government Policy: In March 2023 Government stated that it would rebalance gas v electricity costs starting from the end of 2024. This is explicitly designed to make heat pump installation more attractive. We will keep Government's progress on this under review between now June 2024 when installation work would commence.</p>	<p>City Science & CCES</p>	<p>30/11/2023</p>

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Confirmation: I confirm that this HoS is correct