

North Yorkshire County Council

Executive Member for Climate Change & Customer Engagement

8th September 2022

Funding application to the Public Sector Heat Decarbonisation Scheme Phase 3b

Report of the Corporate Director – Strategic Resources

Appendix B to this report contains exempt information as described in paragraph 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

1.0 Purpose of Report

- 1.1 To authorise the submission of an application for external funding of up to £600,000 from the Public Sector Heat Decarbonisation Scheme Phase 3b.

2.0 Background

- 2.1 The Public Sector Heat Decarbonisation Scheme Phase 3b (PSHDS3b) was announced by the Government on 2nd August 2022 to provide public sector bodies with access to funding to support heat decarbonisation schemes in their properties.

3.0 Issues

- 3.1 Details in respect of the scheme are as follows: -

- The objective of PSHDS3b is to support the transition to low carbon heating in public sector buildings, in addition to improving energy efficiency. It aims to achieve this by providing funding to replace end-of-life fossil fuel systems (such as gas or oil boilers) with low carbon heat sources.
- Applicants are expected to contribute to the costs of the project what would have been spent on a like for like replacement of a gas/oil boiler (at a minimum of 12% of total project cost), therefore the County Council contribution is expected to be £205,000 from the Property service budget.
- The applications window opens in September 2022 (no earlier than the 19th September 2022), the previous round (PSHDS2) was over subscribed within 6 hours, so applications must be ready for submission on the date the application portal opens.
- A decision on if the application has been successful is not expected until early 2023.
- All schemes / works that receive grant funding are required to be completed between 1st April 2023 and 31st March 2024.

- 3.2 In developing the proposed bid for funding the County Council has considered a range of factors, including: -

- The relatively short period of time for the development and delivery of a programme of work.
- The deliverability of a broad range of eligible schemes including both heat decarbonisation and energy efficiency projects.
- The availability of resources to develop, manage and deliver a programme of work including internally, within Align Property Partners and the contracting supply chain.

4.0 Financial Implications

- 4.1 Total funding bid of up to £600,000 is proposed to fund the installation of air source heat pumps in three corporate properties.
- 4.2 The County Council contribution to the total project cost is an additional £205,000 as the element of expenditure that would have been spent on like for like gas boiler replacements as required by the funding criteria.
- 4.3 The corporate properties have been identified on the basis of their current levels of energy utilisation and carbon emissions and the ease of installations of proposed technologies.

5.0 Legal Implications

- 5.1 This is a key decision for the application to the PSHDS3b and the proposal to apply for funding was entered on the Forward Plan in June 2022, with the decision being dealt with under decision call in exemption procedure due to the exact date of the opening of the funding portal being unknown.
- 5.2 The Grant Application & Acceptance process has been followed for the application (relevant form can be found in Appendix A) and has been reviewed by Legal Services and Finance.
- 5.3 The Terms & Conditions of the grant have been reviewed by Legal Services, any additional conditions on the offer letter if the funding application is successful will be reviewed by Legal Service before the acceptance of the offer is approved.

6.0 Risk Management Implications

- 6.1 A full risk assessment can be found in confidential Appendix B.

7.0 Environmental Impacts/Benefits

- 7.1 The proposed project will contribute to the reduction in the County Council carbon emissions by removing the gas / oil fired boilers that are end of life within the three corporate properties.

18.0 Recommendation(s)

- 18.1 The Executive Member for Climate Change and Customer Engagement is recommended to:
 - i) Approve the funding application for submission.

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8th September 2022

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Background Documents: None

Appendices:

Appendix A - Grant Application & Acceptance Form (to follow with Decision Record).

Appendix B - Risk and issues log (Confidential).