

Funding application to the Public Sector Decarbonisation Fund

REPORT TO: The Executive Member for Central Services

DECISION DATE: 8th December 2020

SUPPORTING ANNEX 1; This report includes a supporting Annex which contains;

- A. Details of the Public Sector Decarbonisation Fund. Details of the Heat Decarbonisation Fund.
- B. Signed Grant Application & Acceptance Forms.

Annex 2 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.

PROPOSED RECOMMENDATION

To authorise the submission of an application for external funding of up to £ 2.2m from the Public Sector Decarbonisation Scheme.

BACKGROUND TO SUPPORT THE RECOMMENDATION

The Public Sector Decarbonisation Fund (PSDF) was announced by the Government on 1 October 2020 to provide public sector bodies with access to up to 100% funding to support heat decarbonisation and energy efficiency measures.

Detailed information in respect of the scheme is provided at Annex 1, A of this report but the key features are as follows: -

- The fund consists of total funding of £1 billion and has no minimum or maximum grant
- It focusses upon decarbonising heat in non-domestic public buildings and energy efficiency. Other elements such as solar generation and lighting upgrades can be included but only as a part of a wider application that includes heat decarbonisation works and where PV generation is used directly by the applicant. The fund does not provide funding for the installation of replacement boilers.
- The deadline for applications is 11 January, though applications can be made prior to that date
- All schemes / works that receive grant funding are required to be completed by 30 September 2021

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 substantial 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 substantial programme of work including internally, within Align Property Partners and the contracting supply chain.

A full risk assessment can be found in Annex 2.

As a consequence of the above the proposed bid comprises: -

PSDF

Total funding of £2.2 million to fund window replacement schemes within: -

Schools £1.3 million

Corporate Properties £ 900,000

The schools included within the bid have been identified on the basis of both the condition of existing windows and the likely deliverability of the proposed schemes.

The corporate properties have been identified on the basis of their current levels of energy utilisation and carbon emissions

LEGAL AND GOVERNANCE COMPLIANCE

This is a key decision for the application to the PSDF and the proposal to apply for funding was entered on the Forward Plan in October 2020.

The Grant Application & Acceptance process has been followed for the application (relevant signed forms can be found in Annex 1, Appendix C) and has been reviewed by Legal Services and Financial services

Subject to the acceptance of the application and a grant offer being made it is recommended that the role of 'authorising officer' for the administration of the grant be delegated to the Assistant Director Strategic Resources Integrated Finance.

RECOMMENDATION

1. That the funding application be approved for submission.
2. **That, subject to the acceptance of the application and a grant offer being made, the role of 'authorising officer' for the administration of the grant be delegated to the Assistant Director Strategic Resources Integrated Finance .**

Jon Holden
Head of Property Service

Report Author
Kristina Peat
Operations Manager, Energy and Carbon
27th November 2020.

Appendix A. Details of the Public Sector Decarbonisation Fund. Details of the Heat Decarbonisation Plan

On the 1st October, the government announced two funding sources relevant to NYCC PS, the Public Sector Decarbonisation Fund and the Public Sector Low Carbon Skills Fund. The following describes the first fund.

Public Sector Decarbonisation Fund (PSDF);

- Capital fund of £1b, up to 100% funding for projects.
- No minimum or maximum grant value and all applications will be reviewed on a case-by-case basis.
- Focussed on decarbonising heat in non-domestic public buildings and energy efficiency. Other elements such as solar generation and lighting upgrades can be included but only as a part of a wider application that includes heat decarbonisation works and where PV generation is used directly by the applicant.
- Administered by Salix
- Deadline for applications is the 11th January 2021 but if we want a decision before Christmas, to give maximum amount of time to deliver projects then deadline is the 11th December 2020 23:59
- Eligibility criteria is dependent on the submission of a Heat Decarbonisation Plan by the 30th September 2021. More information on this plan can be found in Appendix C.
- All works that receive grant must be completed by 30th September 2021
- NYCC application to be approximately £1.6m, £1.3m in school properties and £300k in corporate properties.
- All of the sites chosen for works to be included in the application have been prioritised based on deliverability in schools and the biggest heat energy users incorporate properties i.e. EPHs.
- Schools have been contacted to make them aware of the proposed works to their properties. This has given them the opportunity to highlight any concerns regarding them allowing access for the works, where this has been the case works are removed from the list. However, it's expected that if Covid-19 restrictions continue in 2021 there may be further schools who feel they are not in a position to provide access for the work to take place. This risk has been clearly identified in the risk register in the grant application.
- This work will contribute to the county council carbon reduction policy and target, approximately 10% reduction in heating fuel use per annum in the corporate properties we are proposing work, so approximately 30 tonnes CO₂e per annum.

Heat Decarbonisation Plan

A key requirement under the PSDF application is that applicants have a Heat Decarbonisation Plan, this stipulates that we must have a plan;

- submitted to Salix by 30th September 2021
- that demonstrates how fossil based heating will be replaced in the organisations properties
 - o be a phased programme
 - o show how the plan will be implemented
 - o clearly state when the plan will be implemented
- approved by the organisation through their normal decision making process
- that shows who and when it was approved.

Plan preparation

A guidance note has been provided by Salix for the Plan's content.

It is expected the NYCC plan will describe high-level aims for the organisation and identify pilot projects. Some of this work has already taken place in PS regarding the technologies that may be appropriate and pilots for implementation.

It is anticipated that the plan will need to cover school properties as well as our corporate property portfolio as the grant funding provided by the PSDS is for schools as well.

It is expected that this plan will form an implementation programme for the wider NYCC carbon reduction policy.

It is anticipated that consultancy assistance will be required and as such a fee has been added to the application under the PSLCSF.

It is anticipated that the report will be ready for approval in early May 2021.

GRANT / EXTERNAL FUNDING APPLICATION FORM

DETAILS OF APPLICANT				
PART 1	DIRECTORATE	CS	SERVICE UNIT	Property Service
	CONTACT NAME	Kristina Peat	CONTACT TEL EXT	01609 533979

DETAILS OF GRANT / EXTERNAL FUNDING					
PART 2	AWARDING BODY	BEIS	AWARD TITLE	Public Sector Decarbonisation Scheme	
	TOTAL APPLICATION VALUE	£2,200,000	AUTHORISATION LEVEL REQUIRED	Member	
	FUNDING PERIOD	FROM 30/09/2020	TO 20/09/2021	SUBMISSION DEADLINE	11th December 2020
	IS THE AWARD CAPITAL OR REVENUE?			Capital	
	TERMS & CONDITIONS AVAILABLE FOR REVIEW - a copy should be provided alongside this form			Yes	
	- are there specific T&Cs relating to the cessation / suspension / repayment of the award?			Yes	

DETAILS OF PROPOSED USE OF AWARD				
PART 3	The grant funding will be used to undertake capital works to schools and corporate properties to improve their energy efficiency.			
	IS THE BID IN RELATION TO A PARTNERSHIP WHERE NYCC IS THE ACCOUNTABLE BODY?			No
	<i>Provide details of the Partnership here</i>			
	IS THE BID IN RELATION TO A NON-NYCC ESTABLISHMENT?			No
	<i>Provide details of the Establishment here</i>			
	DETAILS OF ANY MATCH FUNDING REQUIRED			
	IS THIS A REQUIREMENT OF THE BID?			No
	AMOUNT		SOURCE	
	AMOUNT		SOURCE	
	AMOUNT		SOURCE	
AMOUNT		SOURCE		
AMOUNT		SOURCE		
Is continued funding required after the award has been fully utilised?			No	
Please provide details of additional funding requirements to continue the project or the exit plan	A full risk assessment has been undertaken of the proposed works and the ability of contractors, suppliers and NYCC staff to deliver the work by the required completion date of 30th September 2021 and the estimated costs and the risk that may increase these. However should costs go over that granted or work go beyond the deadline for payment of the grant it has been			

PROPOSED AUTHORISED SIGNATORIES TO THE BID	
POSITION	NAME
PART 4	

PART 5	APPROVALS		
	POSITION	SIGNATURE	DATE
	SERVICE DIRECTOR		
	ASSISTANT CHIEF EXECUTIVE (LEGAL & DEMOCRATIC SERVICES)		
	INTEGRATED FINANCE (ASSISTANT DIRECTOR - STRATEGIC RESOURCES or HEAD OF FINANCE)		
CORPORATE DIRECTOR (STRATEGIC RESOURCES)			

COMPLETED AND AUTHORISED FORMS SHOULD BE FORWARDED TO INTEGRATED FINANCE

PART 6	DETAILS OF INTEGRATED FINANCE SUPPORT (if any)	
	POSITION	NAME

GRANT / EXTERNAL FUNDING ACCEPTANCE FORM

DETAILS OF APPLICANT				
PART 1	DIRECTORATE	CS	SERVICE UNIT	Property Service
	CONTACT NAME	Kristina Peat	CONTACT TEL EXT	01609 533979

DETAILS OF GRANT / EXTERNAL FUNDING					
PART 2	AWARDING BODY	BEIS	AWARD TITLE	Public Sector Decarbonisation Scheme	
	TOTAL APPLICATION VALUE	£ 2,200,000.00	AUTHORISATION LEVEL REQUIRED	Member	
	FUNDING PERIOD	FROM 30/09/2020	TO 20/09/2021	COST CENTRE / SUBJECTIVE	
	IS THE AWARD CAPITAL OR REVENUE?			Capital	
	TERMS & CONDITIONS AVAILABLE FOR REVIEW - a copy should be provided alongside this form			Yes	
	- are there specific T&Cs relating to the cessation / suspension / repayment of the award?			Yes	

DETAILS OF PROPOSED USE OF AWARD					
PART 3	The grant funding will be used to undertake capital works to schools and corporate properties to improve their energy efficiency.				
	IS THE BID IN RELATION TO A PARTNERSHIP WHERE NYCC IS THE ACCOUNTABLE BODY?			0	
	Provide details of the Partnership here		No		
	IS THE BID IN RELATION TO A NON-NYCC ESTABLISHMENT?			0	
	Provide details of the Establishment here		No		
	DETAILS OF ANY MATCH FUNDING REQUIRED				
	IS THIS A REQUIREMENT OF THE BID?			No	
	AMOUNT	£	-	SOURCE	0
	AMOUNT	£	-	SOURCE	0
	AMOUNT	£	-	SOURCE	0
AMOUNT	£	-	SOURCE	0	
AMOUNT	£	-	SOURCE	0	
Is continued funding required after the award has been fully utilised?			No		
Please provide details of additional funding requirements to continue the project or the exit plan		A full risk assessment has been undertaken of the proposed works and the ability of contractors, suppliers and NYCC staff to deliver the work by the required completion date of 30th September 2021 and the estimated costs and the risk that may increase these. However should costs go over that granted or work go beyond the deadline for payment of the grant it has been			

AUTHORISED SIGNATORIES TO THE BID	
POSITION	NAME
0	0
0	0

PART 5	APPROVALS		
	POSITION	SIGNATURE	DATE
	SERVICE DIRECTOR		
	ASSISTANT CHIEF EXECUTIVE (LEGAL & DEMOCRATIC SERVICES)		
	INTEGRATED FINANCE (ASSISTANT DIRECTOR - STRATEGIC RESOURCES or HEAD OF FINANCE)		
CORPORATE DIRECTOR (STRATEGIC RESOURCES)			

COMPLETED AND AUTHORISED FORMS SHOULD BE FORWARDED TO INTEGRATED FINANCE

PART 6	DETAILS OF INTEGRATED FINANCE SUPPORT (if any)	
	POSITION	NAME
	0	0