

North Yorkshire County Council

Executive Member for Climate Change & Customer Engagement

24th September 2021

Funding application to the Public Sector Heat Decarbonisation Scheme Phase 3

Report of the Corporate Director – Central services

Appendix C 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 £ 318,000 from the Public Sector Heat Decarbonisation Scheme Phase 3.

2.0 Background

- 2.1 The Public Sector Heat Decarbonisation Scheme Phase 3 (PSHDS3) was announced by the Government on 17 September 2021 to provide public sector bodies with access to funding to support heat decarbonisation schemes in their properties.

3.0 Issues

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

- The objective of PSHDS3 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.
- The amount of funding available has not been announced and is subject to agreement as part of the 2021 Spending Review.
- 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, therefore the county council contribution is expected to be £150,000 from the Property service budget.
- The applications window opens from 2pm 6th October 2021, the previous round (PSHDS2) was over subscribed within 6 hours, so applications must be ready for submission at 2pm on 6th October 2021.
- A decision on if the application has been successful is not expected until early 2022.
- All schemes / works that receive grant funding are required to be completed between 1st April 2022 and 31st March 2023

- 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 £318,000 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 £150,000 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 PSHDS3 and the proposal to apply for funding was entered on the Forward Plan in September 2021 and is being dealt with under urgency and call in exemption procedures.
- 5.2 The Grant Application & Acceptance process has been followed for the application (relevant forms can be found in Appendix B) and has been reviewed by Legal Services and Financial Services.
- 5.3 The Terms & Conditions of the grant have not been made available by the funding body at this stage so have not been reviewed by Legal Services. If/when a grant offer is made a review of the grant terms and conditions this will be undertaken by Legal Services 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 C.

7.0 Environmental Impacts/Benefits

- 7.1 The proposed project will contribute to the reduction in the county council carbon emissions by removing three gas fired boilers.

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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23rd September 2021

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Background Documents: None

Appendices:

Appendix A - Details of the Public Sector Heat Decarbonisation Scheme Phase 3.

Appendix B - Grant Application & Acceptance Forms.

Appendix C - Risk and issues log (Confidential)