



**Nottingham City Council
Executive Board**

Date: Tuesday, 20 April 2021

Time: 2.00 pm

Place: Remote - To be held remotely via Zoom -
<https://www.youtube.com/user/NottCityCouncil>

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Kate Morris, Constitutional Services, Tel: 0115 8764353 **Direct
Dial:** 0115 8764353

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4 Delivery of Green Homes Grant Local Authority Delivery Phase 2 in Nottingham - Key Decision Report of the Portfolio Holder for Energy, Environment and Democratic Services and the Portfolio Holder for Planning, Housing and Heritage	13 - 22
5 Exclusion of the public To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs in the public interest in disclosing the information	
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| 7 | Delivery of Green Homes Grant Local Authority Delivery Phase 2 in Nottingham - Key Decision - Exempt Appendices
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All items listed under 'exclusion of the public' will be heard in private for the reasons listed in the agenda papers. They have been included on the agenda as no representations against hearing the items in private were received

If you need any advice on declaring an interest in any item on the agenda, please contact the governance officer shown above, if possible before the day of the meeting

Citizens are advised that this meeting may be recorded by members of the public. Any recording or reporting on this meeting should take place in accordance with the council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the governance officer shown above in advance.

Nottingham City Council

Executive Board

Minutes of the meeting held remotely via Zoom -

<https://www.youtube.com/user/NottCityCouncil> on 12 March 2021 from 1.15 pm - 1.30 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Sally Longford (Vice Chair)
Councillor Cheryl Barnard
Councillor Eunice Campbell-Clark
Councillor Neghat Khan
Councillor Rebecca Langton
Councillor Sam Webster

Absent

Councillor Dave Trimble
Councillor Adele Williams
Councillor Linda Woodings

Colleagues, partners and others in attendance:

Councillor Kevin Clarke
Councillor Andrew Rule

Mel Barrett - Chief Executive
Clive Heaphy - Strategic Director of Finance
Chris Henning - Corporate Director for Development and Growth
Catherine Underwood - Corporate Director for People
Hugh White - Corporate Director for COVID Response and Recovery
Kate Morris - Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 19 March 2021. Decisions cannot be implemented until the working day after this date.

87 Apologies for absence

Councillor Dave Trimble - Personal
Councillor Adele Williams - Council Business
Councillor Linda Woodings - Leave

88 Declarations of interests

None

89 Request to the Ministry for Housing Communities and Local Government (MHCLG) to capitalise revenue costs (capitalisation) - Key Decision

The Chair of the Board agreed that this item could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, because Council submitted a Capitalisation request to the Ministry of Housing, Communities and Local Government (MHCLG) on 23rd December 2020. On the 5th

March 2021 the Council received a response from MHCLG to this request. The Council is required to respond to MHCLG by 12th March 2021 which is prior to the next scheduled Executive Board meeting

This decision is not subject to call in because the Chair of Overview and Scrutiny agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency because delay caused by a call in period would cause the deadline to be missed

The Board considered the report of the Portfolio Holder for Finance, Growth and the City Centre setting out the request to Ministry of Housing, Communities and Local Government (MHCLG) to capitalise revenue costs and the response received on 5th March 2021. He thanked Council Officers for the speedy work done in the last week and the following points were highlighted during discussion:

- (a) The request was submitted to MHCLG following an exceedingly challenging year financially for Nottingham City Council that had come about due to the impact of the Covid 19 pandemic, loss of income from a number of commercial services and the impact of writing off historic debt from Robin Hood Energy;
- (b) The Council meeting on 8 March 2021 agreed a balanced budget following an in-year budget process in 2020/21, non essential spending freeze, recruitment freeze and a voluntary redundancy scheme leading to substantial savings. However this has impacted on the level of reserves;
- (c) Authorities can usually only borrow on capital, and this deviation from the usual legislation has been requested to help establish a stable medium and long term financial footing for the Council. It will allow the Council access to an additional £20million in 2020/21 to spread the cost of revenue services over a longer period;
- (d) As set out in the Budget report at the meeting of Council on 8 March 2021 external debt is due to reduce by £150million by 2025. The additional flexibility this capitalisation will give will help the Council to protect the reserve levels, and properly resource the Change and Modernisation programme required to meet the expectation within the Recovery and Improvement Plan;
- (e) A number of other Councils have agreed similar capitalisation directions, such as Peterborough, Luton, Eastbourne and Croydon;
- (f) Achieving and maintaining financial stability is a priority to ensure that support and services are available for the citizens of Nottingham;
- (g) This Capitalisation Direction is not a grant, or additional funding, it is the ability to draw down additional borrowing and spread day to day revenue costs over a longer period of time;

The Leader of the Council paid tribute to the hard work of the Portfolio Holders and Council Officers through this process.

The report, and the recommendations made within it, was endorsed by the Chief Executive of Nottingham City Council.

Resolved to:

- (1) Note the Secretary of State's current position on capitalisation and agree to accept a capitalisation package in the sum of £35million as requested on 23 December 2020, noting that £20million for 2020/21 is on terms that are certain, and that the balance of up to £15million will be subject to further confirmation from the Secretary of State, subject to demonstrating need and mutually agreeable terms;**
- (2) Accept a Capitalisation Direction for 2020/21 for £20million on terms set out in appendix A of the report published with the agenda;**
- (3) Note that the Secretary of State is minded to issue a Capitalisation Direction for 2021/22 later in the financial year subject to evidence of ongoing need and to certain conditions being met as set out in Appendix B and paragraph 2.6 of the published report;**
- (4) Delegate authority to the Strategic Director of Finance in consultation with the Portfolio Holder for Finance, Growth and City Centre, to make the necessary accounting adjustments in 2020/21 and 2021/22.**

Reason for decision

In order to ensure financial resilience and deliver a major change programme to transform its services the Council needs access to additional financial resources. Capitalisation will allow the Council access to these funds, which in turn will allow the Council increased financial stability.

Other options considered

Not accepting the Capitalisation Direction would leave the Council exposed to financial risks from Covid 19, service pressure and adverse trading conditions faced by its wholly owned companies. It would not be able to fund the Change programme and would negatively affect the ability to deliver statutory and non-statutory functions within a cost envelope that is affordable over the medium term. For these reasons this option was rejected.

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Nottingham City Council

Executive Board

**Minutes of the meeting held at remotely via Zoom -
<https://www.youtube.com/user/NottCityCouncil> on 16 March 2021 from 2.00 pm
- 2.23 pm**

Membership

Present	Absent
Councillor David Mellen (Chair)	
Councillor Sally Longford (Vice Chair)	
Councillor Cheryl Barnard	
Councillor Eunice Campbell-Clark	
Councillor Neghat Khan	
Councillor Rebecca Langton	
Councillor Dave Trimble	
Councillor Adele Williams	
Councillor Sam Webster	
Councillor Linda Woodings	

Colleagues, partners and others in attendance:

Councillor Kevin Clarke	
Councillor Andrew Rule	
Mel Barrett	Chief Executive
Clive Heaphy	Strategic Director of Finance
Richard Henderson	Director of HR and Transformation
Chris Henning	Corporate Director for Development and Growth
Malcolm Townroe	Director of Legal and Governance
Catherine Underwood	Corporate Director for People
Hugh White	Corporate Director for COVID Response and Recovery
Kate Morris	Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 25 March 2021. Decisions cannot be implemented until the working day after this date.

90 Apologies for absence

None

91 Declarations of interests

Councillor Neghat Khan declared an interest in item 5 The acquisition of the Clarendon College site for a new secondary Free School and the creation of a Temporary Sixth form base at the Maid Marian Way Nottingham College site for the Archway Trust (minute 94) as a Governor of Nottingham College

Councillor Sam Webster declared an interest in item 5 The acquisition of the Clarendon College site for a new secondary Free School and the creation of a

Temporary Sixth form base at the Maid Marian Way Nottingham College site for the Archway Trust (minute 94) as a non-paid Council appointed director of SCAPE.

92 Minutes

The minutes of the meeting held on 16 March 2021 were confirmed as a true record and were signed by the Chair.

93 School Capital Maintenance Grant Allocations 2021/22 - Key Decision

The Board considered the report of the Portfolio Holder for Regeneration, Schools and Communication, addressing the School Capital Maintenance Grant Allocations for 2021/22. He informed the Board that an additional one off payment of £568,017 had been offered to Nottingham City alongside the standard grant that will be confirmed in Spring 2021 and is anticipated to be around £1.2million. The following points were highlighted:

- (a) This grant helps to support capital programmes within community schools paying towards building improvements heating schemes and ways to make schools better environments for teaching and learning;
- (b) A programme of prioritisation is in place to address the need in schools. Forward planning is crucial as there are many projects, but a contingency for emergencies also has to be maintained.

Resolved to

- (1) note the appended business case and accept the recommendations for the proposed school capital maintenance funding and delivery of schemes for 2021/22.**
- (2) accept the one off Capital Maintenance grant already received of £568,017 for school capital maintenance issues and amalgamate it with the school capital maintenance funding for 2021/22 upon receipt.**
- (3) accept and approve the 2021/22 allocation received by the Department for Education (DfE) to Nottingham City of the school capital maintenance funding upon receipt for the projects as set out in appendix A, noting that £0.211 million is set aside as a contingency fund. To allow the adjustment of the number of projects prioritised in Appendix A and this contingency upon receipt of the grant announcement, should it be necessary.**
- (4) amend the capital programme to reflect the one off grant of £568,017 already received.**
- (5) amend the capital programme to include the allocation of schools' capital maintenance grant for 2021/22 once the capital maintenance funding has been received**

- (6) approve £0.030 million to allow the scoping and prioritisation of projects for a programme of works in 2022/23 to commence in Autumn 2021, once the 2021/22 capital maintenance funding has been received**
- (7) delegate authority to the Corporate Director for People to:**
 - allow the adjustment of the number of projects prioritised in Appendix A and the contingency should it be necessary.**
 - allocate contingency funding to projects such as health and safety or condition issues which arise during 2021/22, and**
 - adjust the funding allocation for each project once cost information is finalised, subject to value for money being demonstrated and costs being within the overall budget allocated for this programme of works.****once the 2021/22 capital maintenance funding has been received**
- (8) appoint NCC Building Services to design, procure and manage the mechanical and electrical projects**
- (9) approve the procurement of the roofing, window and safeguarding schemes through the SCAPE regional construction framework – an OJEU (the Official Journal of the European Union) compliant framework**
- (10) approve the procurement of any technical services (for example construction contract administrator role) that are no longer available from the resource pool of NCC through a compliant framework as directed by the Director of Commissioning and Procurement.**
- (11) appoint Nottingham City Homes to design, procure and manage the fire door**
- (12) delegate authority to the Director of Legal and Governance and Monitoring Officer to sign contracts with the preferred contractors and technical services suppliers following procurement exercises to allow the projects to be delivered.**
- (13) approve a payment of up to £0.100m from the Building Schools for the Future (BSF) Lifecycle Reserve fund to Rosehill Special School to undertake condition and maintenance works to the building**

Reasons for decision

Accepting this grant funding allows the Council to maintain community Schools across the City. The funding is prioritised so that issues of Health and Safety, where issues are likely to impact on children and staff and Condition Issues, where issues are likely to impact on the operation of the school are addressed first.

Delegation of Authority to the Corporate Director for People allows a swift response to urgent needs as they arise.

Other options considered

Consideration was given to combining the one off grant for 2021/22 school maintenance with the basic need funding to address the shortfall of places across the city.

Another option considered was to amalgamate the one off grant and the 2021/22 grant into the wider capital-funding programme.

Both of these options were rejected as they would leave schools at risk of closure due to health and safety or condition issues. School buildings would continue to deteriorate increasing the risk of emergency closure and repairs.

94 The acquisition of the Clarendon College site for a new secondary Free School and the creation of a Temporary Sixth Form base at the Maid Marian Way Nottingham College site for the Archway Trust - Key Decision

Councillor Neghat Khan declared an interest in this item as a Governor of Nottingham College

Councillor Sam Webster declared an interest in this item as a non-paid Council appointed director of SCAPE.

The Board considered the report of the Portfolio Holder for Regeneration, Schools and Communications seeking to acquire the Clarendon College site for a new secondary Free school and the creation of a temporary sixth form base at the Maid Marion Way Nottingham College site for the Archway Trust. The following points were highlighted:

- (a) In the recent past an expansion in Primary school places helped to increase the provision in response to changing demographics of the City. It is now necessary to increase the secondary provision. The Government have agreed to fund a new Free school within the City to be built on the site of Clarendon College and run by the Archway Trust;
- (b) To create the spaces for September 2021 Bluecoat Academy Aspley Sixth Form will temporarily be based at the Maid Marion Way Nottingham College site whilst the space created at Bluecoat Academy will allow the Free school to open temporarily at that site in 2021. This will allow work to take place at the Clarendon College site to build the new Free school;
- (c) This site is adjacent to land linked to the Active Travel programme planned route for Cycle Paths across the city. It will help to promote green and active transport for students and staff;

Resolved to:

- (1) approve the allocation and payment to the Department for Education of £3.250 million of Basic Need Grant funding from the allocation already received from the Department of Education, for the Council's contribution towards the acquisition and associated costs of the Clarendon College site.**
- (2) approve the use of £1.800 million of Basic Need Grant funding from the allocation already received from the Department of Education. To undertake works at the Nottingham College site on Maid Marian Way, to**

refurbish and reconfigure the building as necessary to allow the Archway Trust to use it as a temporary sixth form base for 2 to 3 years.

- (3) approve the procurement of any technical services that are no longer available from the resource pool of NCC through the SCAPE framework, which is a compliant procurement route**
- (4) approve the procurement of a contractor through the Scape Regional framework, which is a fully compliant procurement route, to undertake the works**
- (5) delegate authority to the Director of Legal and Governance and Monitoring Officer to sign contracts with the preferred contractor and technical services provider as long as they are within the funding envelope approved of £1.8million**
- (6) delegate the expenditure of the contingency to the Corporate Director of People (Children and Adults) in conjunction with the Portfolio Holder for Regeneration, Schools and Communications.**
- (7) approve the granting of a lease for the Nottingham College, Maid Marian Way site to the Archway Trust to facilitate the use of a site as a temporary sixth form base for up to 3 years and delegate authority to the Corporate Director of Development and Growth to agree the terms of the lease**
- (8) approve the proposed revenue budget to cover the potential costs of holding the site vacant, prior to and following occupation by the Archway Learning Trust**
- (9) note the Business Case in Appendix 1 of the published report.**

Reasons for decision

The Council has a statutory obligation to provide sufficient school places for the population of the city and this decision will help to secure an addition 1,200 school places. The creation of this school will also mean more jobs within the city.

It is also a positive use of the Nottingham College site for the temporary sixth form base. Some work will need to be done to ensure that the temporary base is fit for purpose but works will not exceed the requirements for the temporary nature of the project.

Other options considered

Other sites for the permanent school base were considered. However these were rejected as the proposed site is a central location to address the city wide need for spaces and is particularly accessible for central, north and west areas of the city. The proposed site will also ensure that deliverability in time to address the peak overall pressure on capacity city wide.

Other options for the temporary sixth form base were also considered however these were also rejected as the proposed site offers better value for money and a good balance of accommodation to cost for the 2/3 year time scale.

95 Exclusion of the public

The Board decided to exclude the public from the meeting during consideration of this/ the remaining agenda item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph(s) 3 of Part 1 of Schedule 12A to the Act.

96 The acquisition of the Clarendon College site for a new secondary Free School and the creation of a Temporary Sixth Form base at the Maid Marian Way Nottingham College site for the Archway Trust - Exempt Appendices

The Board considered the exempt appendix for the report on the acquisition of the Clarendon College site for a new secondary Free School and the creation of a temporary sixth form base at the Maid Marian Way Nottingham College site for the Archway Trust and noted its contents.

97 District Heating - Key Decision

This decision is not subject to call in because the Chair of Overview and Scrutiny agreed that the decision is reasonable in all circumstances and should be treated as a matter of urgency because the decision could not be implemented in time, thus undermining the decision's objective.

The Board considered the Report of the Portfolio Holder for Energy, Environment and Democratic Services.

Resolved to approve the recommendations as recorded in the exempt minute.

Executive Board – 20 April 2021

Subject:	Delivery of Green Homes Grant Local Authority Delivery Phase 2 in Nottingham
Corporate Director(s)/Director(s):	Chris Henning, Corporate Director for Development and Growth
Portfolio Holder(s):	Councillor Sally Longford, Deputy Leader and Portfolio Holder for Energy, Environment and Democratic Services Councillor Linda Woodings, Portfolio Holder for Planning, Housing and Heritage
Report author and contact details:	Wayne Bexton, Director of Carbon Reduction, Energy and Sustainability wayne.bexton@nottinghamcity.gov.uk Katie Greenhalgh, Energy Projects Manager katie.greenhalgh@nottinghamcity.gov.uk
Other colleagues who have provided input:	N/A
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	£2,701,556
Wards affected:	All
Date of consultation with Portfolio Holder(s):	22/03/21
Relevant Council Plan Key Theme:	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input checked="" type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>In February, a Leader's Key Decision ('Green Homes Grant Local Authority Delivery Phase 1b') was approved to accept funding from the Department for Business Energy and Industrial Strategy (BEIS) under the Green Homes Grant Local Authority Delivery (GHGLAD) phase 1b programme, to a value of £6,884,132. This scheme will deliver energy efficiency measures to 590 low income, low energy efficiency homes across the city.</p> <p>Phase 2 of GHGLAD is being administered through the Energy Hubs. The Council manages the Midlands Energy Hub and a separate approval has gone through to accept and administer the GHGLAD Phase 2 funding from BEIS. The Midlands Energy Hub has allocated each Local Authority (LA) in its area an allocation of funding based on the percentage of low energy efficiency homes found within the LA boundary. Nottingham City's allocation is £2,204,550. This is comprised of a £2,020,000 capital grant, a £181,800 capitalisation allocation and £2,750 for stock analysis as detailed in the attached allocation letter.</p>	

Energy Projects will manage this allocation and intend to extend the GHGLAD 1b programme of works to 237 additional households:

1. 13 of the households are private households situated amongst social housing programmes - Whole House Retrofit (WHR) and Social Housing Decarbonisation Fund Demonstrator (SHDFD). Properties will be offered the fabric component of the WHR approach, fully funded, with insulating measures for walls, roof and floor, plus windows, according to the properties' requirements. The intention is to be able to use economies of scale and concurrent working to offer out a cost effective route to the benefits of this WHR approach for the private market to ensure completeness in these areas. The areas selected fall within LSOAs that are amongst the most deprived.
2. 157 owner occupied properties will receive fully funded Solar Photo-Voltaic (PV) installations. These properties will benefit from low-carbon electricity and reduced energy costs.
3. 67 Council-owned properties have been identified as part of a 5-year capital programme. These are mainly early 20th Century with a non-standard construction, typically not purpose built social housing. As such, they are a priority for addressing with these funds. These solid wall properties will receive external wall insulation (EWI) or internal wall insulation (IWI) where the frontage does not allow for EWI.

In addition to the grant funding, match funding of £497,006 is requested from the Housing Revenue Account to support work stream 3, which has a funding cap of £5,000 per property because it is social housing.

Eligibility, in line with funding conditions, will be determined through a combination of low-income and fuel poverty proxies: properties being targeted in LSOAs with high levels of deprivation (national indices) and fuel poverty (national statistics), and, being tenants of social housing. These criteria will be added as an appendix to the LA Flex (ECO) Statement of Intent, and qualifying households can be signed-off, whereby we will seek confirmation that applicants do not use GHG vouchers or blend other funding towards the same measure(s).

Energy Performance Certificate (EPC) ratings will be in the range of D, E, F or G, with the majority being E-G. All will improve EPC band and we estimate a significant number to improve to at least an EPC C. We will verify these EPC ratings using registered EPC data. Where no EPC currently exists, we will undertake an EPC to ensure the property is in scope, and all properties will have a post-intervention EPC assessment.

Interventions must be completed by December 2021 in line with funding conditions.

Exempt information: An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because planned procurement exercises could be jeopardized if the information is published, in that best value for money for the authority may not be achieved.

Recommendation(s):

- 1 To accept the Department for Business, Energy and Industrial Strategy grant, administered by the Midlands Energy Hub, with a Council allocation of £2,204,550.
- 2 To include in the Public Sector Housing Capital Programme - Planned Schemes the Green Homes Grant Local Authority Delivery (GHGLAD) Phase 2 Social Housing work stream,

funded by £345,000 GHGLAD Phase 2 grant and £497,006 Major Repairs Reserve within the Housing Revenue Account.

- 3** To delegate authority to the Corporate Director for Development and Growth to procure and award contracts to allow delivery of the scheme, including Solar Photo-Voltaic and Solid Wall Insulation, subject to the approval of the Section 151 Officer, following finalisation of the business case, including a financial model that passes the Capital Strategy criteria.
- 4** To approve pass through of a £147,047 grant to Nottingham City Homes to cover staffing requirements for support and delivery of work streams 1 and 3.

1 Reasons for recommendations

- 1.1 The primary driver for the GHGLAD scheme is to tackle Fuel Poverty. The project will target citizens on the lowest incomes, in the worst performing households, aiming to increase thermal comfort and well-being in the coldest and most vulnerable homes. This directly supports our 2018-25 Fuel Poverty Strategy and will see fuel bills reduce by an estimated £111,000 a year.
- 1.2 Additionally, the project will drive retrofit measures to improve building fabric, decarbonise heating systems and see more renewable energy in the city's homes, supporting our Carbon Neutral by 2028 aspiration by saving 182tCO₂ annually.
- 1.3 The project is also intended to stimulate the supply chain and facilitate a green economic recovery from COVID-19. These funds will help bring forward a range of works that would not otherwise take place, enabling homes in fuel poverty to reduce energy costs and improve EPC, addressing challenging stock and creating local jobs through transferring central government funding to the private sector.
- 1.4 Strand 1 of the project addressed private households located adjacent to Social Housing Whole House Retrofit Schemes. This will ensure that we can make progress towards streets of similar archetypes not being left with unaddressed homes because of varying tenure and access to capital. This will greatly improve the property in the area for residents and being run concurrently allows us to reduce the costs per property. It would not be possible to achieve this through owner contributions or other funding streams.
- 1.5 Strand 2 of the project is a large scale Solar PV rollout which will reduce the costs and inequalities in access to renewable energy generation and the reduction in energy bills that it can bring. We will signpost all householders to information, advice and support from other local and national programmes for maximising their income, reducing bills and improving energy efficiency, in line with our Fuel Poverty Strategy, and wherever additional funding can be compliant or complementary to LAD. We expect this to lead to a greater set of works being undertaken and improvement in risks of/from fuel poverty in the city.
- 1.6 Strand 3 addresses 67 Council properties. Within the capital programme currently there is insufficient budget allocated against improving solid wall properties for the Council to meet its obligations of EPC C by 2030. In order to fund this work money would need to be saved elsewhere. This scheme improves this position by bringing in 40% grant to deliver work which is

required to be funded by the Council anyway. The Council acknowledges that we do not have sufficient capital budget to achieve our obligations, and we require central government funding to be available.

- 1.7 The budget allows for 100% funded interventions for private households in strands 1 and 2, 40% funding for NCC properties, EPCs (where required) and PAS2035 assessment and lodgement, other ancillary costs and enabling works, marketing, travel and staffing costs associated with the project, with £147,000 to support posts at NCH who will support and deliver work streams 1 and 3 respectively. Some additional resource will be used to support project delivery, and the project will be governed by existing governance structures, reporting to the Council Housing Energy Efficiency Programme Board monthly.

2 Background (including outcomes of consultation)

- 2.1 LAD 2 will build upon an existing programme of domestic deep retrofit, including E=0 (LKD 3296), DREeM (LKD 3296) and Whole House Retrofit (Executive Board November 2019) which is comprised of two workstreams - Energiesprong and Destination Zero 1 (DZ1), as well as the recently approved SHDFD (LKD 4098) and LAD1b as referenced in 2.2.
- 2.2 This decision is an extension to the GHGLAD1b project approved via Leader's Key Decision: <https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=5466>
- 2.3 It was confirmed on 19 March 2021 that the decision did not need to be presented at Corporate Leadership Team and Leadership as it is an extension of an existing project, but papers were circulated to each group for reference.
- 2.4 The Chief Executive was briefed on the scheme on 12 January 2021 and gave support for proceeding with the programme of works.

3 Other options considered in making recommendations

- 3.1 To do nothing: this option was discounted due to the failure to secure benefits to citizens, including: reduced fuel bills, decreased fuel poverty rates and reduction in carbon emissions.
- 3.2 To not accepting the grant and sourcing alternative funding: this option was discounted as alternative funding sources which provide such favourable terms (100% funding for private household and project delivery costs and 40% funding for social housing) have not been identified.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 See Exempt Appendix.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 5.1 This report seeks authority to accept grant funding and to spend it as set out in the report. It should be noted that Nottingham City's allocation of £2,204,550 is administered by the City Council in its capacity as accountable body for the Midlands Energy Hub. The City Council can not contract with itself for the purposes of giving and accepting the grant funding but it is good

practice to document the award of the funding and for the City Council to ensure it complies with the original BEIS funding terms. This will ensure accountability, ensure the funding can be scrutinised by audit and would provide confirmation of the arrangements if the accountable body role is changed to another authority.

All contracts must be awarded in compliance with the City Council's Financial Regulations and Contract Procedure Rules. Contracts should be developed which enable homeowners to manage the Solar PV installations on their properties once work has been completed by the installation contractor.

Advice provided by Andrew James (Team Leader – Commercial, Employment and Education) on 29 March 2021.

- 5.2 There are no procurement issues with the report; the Procurement Team is already working with the Energy Team to ensure that contractors are appointed to deliver the scheme in compliance with Contract Procedure Rules and the terms of the grant funding.

Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 30 March 2021.

6 Social value considerations

- 6.1 A series of contracts will be procured and awarded as part of project delivery. All procurement exercises will be overseen by Council Procurement and social value considered, for example creation of local apprenticeships and green jobs.

7 Regard to the NHS Constitution

- 7.1 Improving energy efficiency of homes is linked to a reduction in cold-related health concerns and associated hospital admissions.

8 Equality Impact Assessment (EIA)

- 8.1 This is an extension to the GHG LAD1b project, for which an EIA was completed.

9 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 9.1 None.

10 Published documents referred to in this report

- 10.1 Leaders Key Decision: Green Homes Grant Local Authority Delivery Phase 1b, February 2021

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RISK ASSESSMENT

Complete a new line for each risk category. For the 'Probability of risk' and 'Impact of risk' column, please colour the cells according to the following code:

High - Red 16+
 Medium - Orange 9 to 15
 Low - Green Below 9

Application Details	
Lead organisation	Nottingham City Council
Brief description of project	LAD 1b
Maximum risk rating	25

Risk assessment

Category	Description	Probability of risk	Impact of risk	Risk score	Measures to mitigate risks
1 Covid-19	Covid-19 - Delay	4	4	16	Covid-19 is creating problems for the delivery of 'construction' projects. There are many mitigation activities to limit Covid-19 risk. But these cannot cover all of the potential ways that Covid-19 can create programme delays and guarantee that the delivery programme will not be deliverable. Hence Covid-19 is a risk that simply can not be managed away completely. That said, there is lots that we can do to mitigate Covid-19 risks: design-in cover for key people (as far as possible) - expect significantly increased absence levels and at very short notice; ask contractors about their supply chains; possibly advance purchase materials (so we hold stock); plan for tenant communication to take longer and be harder; expect residents to potentially be reluctant to have anybody in their homes.
2 Supply Chain	Insufficient capacity to match demand (f) / Supply chain capacity	3	4	12	Supply chain capacity is a significant risk. The funding available through GHG and SHDFD is considerable. These competitions are likely to take up available capacity for some elements of project delivery (really experienced deep retrofit designers). There is significant risk that demand will create supply pressures somewhere in the chain. We can mitigate some elements for example: early resolution of contracts; potential advanced supply of materials; incorporate delivery training (so we can supply in additional personnel). The short delivery timeframe means, particularly for Strand 1, measures to be completed on LAD 1b properties included earlier within the project timescale.
3 Consumer demand	Insufficient demand from potential recipients (e) / Not having enough residents engaged up front for the quantities needed	3	4	12	Customer service staff time included in project costs, and EPC insight analysis to shortlist properties and areas for targeted marketing.
4 Legal	Planning	2	5	10	Impact is severe IF the project is blocked by planning. Early engagement, samples, should help to ensure that planning are on-side. We have already selected a solution with a high quality finish.
5 Covid-19	Covid-19 - Death / Infection	2	5	10	We have split out the potential for the death of a tenant/ occupier from Covid-19 and the possibility (or perception) that it may have been contracted through the delivery of the project. This is because this risk is the driver for the 'Covid-secure' measures on site and ensuring these standards are maintained. Organisation of site facilities; limits on numbers at any location; one way systems; staggered breaks; additional cleaning; additional hygiene (anti bac etc); sequencing to limit and better control internal works; resident and tenant engagement methodologies.
6 Financial	Project becomes significantly off-track	2	4	8	Delays could be due to Covid-19 and/or supply chain capacity and/or struggling to sign-up households with mitigations as outlined above. Maintain communications with BEIS if challenges threaten to materialise.
7 Delivery	Installations not meeting quality standards (a) / Substandard Performance of buildings	2	4	8	We will use service providers with a track record in deep retrofit, solid wall insulation and solar installation. We will follow PAS 2035 and use Trustmark registered providers. For the delivery of the Solar PV systems to owner occupied homes, NCC will be using its own in-house Solar PV team and DLO for survey, design, installation and compliance. To increase capacity, NCC will be using a previously, compliantly, procured supplier framework to increase labour, being delivered under the project management of this team. The Solar PV team is MCS certified and a history of installing major Solar PV projects. The team and any additional contracts will be Trustmark registered by the point of delivery. For the delivery of solid wall insulation to NCC owned corporate stock, existing compliant procurement frameworks that the Council has access to will be used to procure the contractor(s). The Council and NCH have extensive experience of these projects. For the WHR fabric work on roofs, wall and floors, the works will be delivered through compliant procurement routes and the contracting arrangements will reflect third-party requirements and compliance with state aid. There are existing WHR projects in the city that have been compliantly procured and have the necessary governance and commercial agreements in place that can be drawn upon. All contractors and sub-contractors will be TrustMark registered companies and covered by PAS2035:2019, ensuring that they install all project measures in accordance with these standards. All measures delivered will be lodged into the TrustMark data warehouse. Existing programmes and arrangements will be utilised where possible, and will also be emulated for training, onboarding and best practice approaches.
8 Delivery	Securing Retrofit Assessor capability	2	4	8	PAS2035 training for existing staff underway
9 Delivery	Failure of systems and/or processes which have been included within the Risk Register (g)	2	3	6	Experience from existing programs of works (e.g. WHR D21, in-house solar PV team) is the best possible preparation for avoiding challenges - each strand builds on existing work programs/structures. This will be achieved by having the right people, and using PAS2035 compliant delivery.
10 Delivery	Failure to deliver intended outcomes	2	3	6	Use of PAS 2035 for the project. Utilising experienced practitioners with a deep understanding of the issues.
11 Financial	Potential for Social Housing to undergo Right to Buy	2	3	6	High level of match funding reduces risk and included in sensitivity analysis. Property will be swapped if works have not started.
12 Delivery	Identity theft or falsely claiming low-income status (c)	2	3	6	NCC have identified an eligibility route which pre approves areas of the city with high levels of deprivation and fuel poverty and has updated it's LA Flex statement to support this. Any citizens outside of these areas will have income checks completed as part of the customer journey.
13 Delivery	Fraud arising through claims to multiple schemes (h)	2	3	6	As part of the customer journey, NCC will ask applicants to "sign off" that they have not applied and will not apply to other schemes. The customer services support team will ensure that information is provided to applicants to ensure that they understand these terms.
14 Delivery	Supply chain capability	1	4	4	We have identified a supply chain that understands what we need for each of the three strands.
15 Delivery	Programme start delays. Grant; Approval; procurement; contracting	1	3	3	Grant via MoU - which minimises risk, grant reviewed by CHEEPB prior to submission which should allow smooth internal ratification of arrangements for corporate properties (strand 3). Use of existing Solar PV (Strand 2) and Solid Wall Insulation (Strand 3) frameworks. The properties identified for WHR fabric work (Strand 1) are located alongside social housing included in our successful Social Housing Decarbonisation Scheme Demonstrator bid. We therefore have standard design details and cost estimates for each archetype. Through the SHDFD project NCC will be procuring and awarding 9 contracts which cover various measures, with Nottingham City Homes acting as principal contractor.
16 Delivery	Material condition of homes not improved	1	3	3	This is a lesser version of the risk above (included because it is specified in the MoU). The condition of the homes will improve, and we estimate a significant number to improve to at least an EPC C. We will signpost all householders receiving solar PV systems to information, advice and support from other local and national programmes for maximising their income, reducing bills and improving energy efficiency, in line with our Fuel Poverty Strategy, and wherever additional funding can be compliant or complementary to LAD. We expect this to lead to a greater set of works being undertaken and improvement in risks of/from fuel poverty in the city.
17 Financial	Private infill innovative whole house retrofit assumptions for VAT underestimate	1	3	3	Private infill (innovative whole house retrofit) £42,000 per property £48, 510 inc VAT (assumptions: higher rate of VAT charged, materials 70% of costs, labour 30%, unless eligible for lower rate of 5%). We expect this to be a reasonable worst case scenario, and cost savings may be made here
18 Delivery	Claims made for installations that haven't happened, haven't been completed, or that took place prior to launch date of the scheme (b)	1	3	3	As part of the customer journey, NCC will collect data from installers on installed measures and will also quality check work, including completion of pre and post retrofit assessments.
19 Legal	Liability of poor workmanship or maintenance issues with private households.	1	2	2	Householder to have contract with installer, rather than NCC, transferring liability. NCC to review contracts to ensure citizens are protected.
20 Financial	Installers overinflating costs (d)	1	2	2	NCC's procurement routes ensure that suppliers cannot inflate prices, either by using pre-procured frameworks, extensions of contract, or completing tender exercises.

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Appendix to LAFlex Statement of Intent published 15th October 2018 (Version 1.2)

Name of Local Authority: Nottingham City Council

Appendix date published:

Appendix published at:

Appendix 3 applies ONLY for Green Homes Grant Local Authority Delivery.

In July 2020, the Chancellor announced £2 billion of support through the Green Homes Grant (GHG) to save households money; cut carbon; and create green jobs. The GHG will be comprised of up to £1.5 billion of support through energy efficiency vouchers and up to £500m of support allocated to English Local Authority delivery partners, through the Local Authority Delivery (LAD) scheme.

LAD is expected to result in the following outcomes.

- a. Tackle fuel poverty by increasing low-income household's energy efficiency rating while reducing their energy bills;
- b. Deliver cost effective carbon savings to carbon budgets and progress towards the UK's target for net zero by 2050.
- c. Support clean growth and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.

NCC will use LAD funding to install energy efficiency measures up to the average value of £10,000 fully funded for owner occupied and £5,000 for landlords (social or private) with a required minimum contribution of one third match funding.

Potential measures would otherwise be unaffordable for many low income households. The primary purpose of the LAD is to raise the energy efficiency rating of low income and low EPC rated households (those with E, F or G, although a proportion of D rated properties are also in scope). This means homes that are "high cost" to heat will be eligible under LAD.

Nottingham City Council wishes to focus resources on the worst performing properties and areas most in need by widening the LAFlex eligibility criteria under LAD to cover Lower Layer Super Output Areas (LSOA) with an index of multiple deprivation decile of 1 and high levels of fuel poverty, **or combined household income of less than £30,000**, or tenants of social housing.

Applicants must confirm they have not and will not apply for GHG vouchers or access any other government funding towards the same measure(s) received under LAD. Applicants will be assessed to confirm they meet the household eligibility criteria and give permission that their data can be shared with the Council, agencies working on the project and contractors, in accordance with GDPR regulations.

If a resident qualifies for the Green Homes Grant Local Authority Delivery scheme they will also qualify for a flex declaration for ECO for other measures needed at the property not funded by LAD, in line with funding guidance.

Evidence and Monitoring

Nottingham City Council will confirm eligibility under Appendix 3 through checks before sign-off.

Signature

Position

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