

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

4116

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Department:

Commercial and Operations

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Subject:

Green Home Grants Local Authority Delivery (LAD) Phase 2

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£60.95m (Type: Capital and Revenue)

Decision Being Taken:

To approve acceptance and spend of a £60.95m grant from the Department for Business, Energy & Industrial Strategy (BEIS), to implement the sourcing strategy for LAD phase 2 (Delegated Decision 4034).

To delegate authority to the Head of Energy Services to initiate procurement (with the Council's Procurement Team) and award contracts for this project.

To approve continued management of the grant via the Midlands Energy Hub, delegating authority to the Head of Energy Services to accept grant funding on behalf of Nottingham City Council, to approve funding agreements and management of grant expenditure.

To approve recruitment of 'fixed term posts' within the appendix.

To authorise allocation of grant funding to Local Authorities in the Midlands for installation of eligible measures by Dec 2021 (as per the MoU).

To approve a dispensation to Contract Procedure Rule 4.1.1 using Finance Procedure Rule 3.29 to direct award to Act on Energy and ProActis on operational grounds.

**Reasons for the Decision(s)**

**Her Majesty's Treasury via the Department of Business Energy and Industrial Strategy (BEIS) have allocated £500million of the £2billion Green Homes Grant to improve the energy efficiency of low-income households. This will help reduce fuel poverty and support the installation of low carbon heating. £300 million of this will be available in the second phase of the scheme through the five Local Energy Hubs in England who will procure services that support upgrading eligible homes.**

**BEIS are commissioning the Midlands Energy Hub to deliver phase 2 as set out in our commissioned sourcing strategy for this work. Nottingham City Council's Energy Services are the accountable body for the Midlands Energy Hub.**

**The allocation of the £60.95m, which is 100% of the funding required, will be via a Section 31 grant and associated Memorandum of Understanding. The funding will enable regional delivery helping thousands of fuel poor households across the Midlands and support the governments and NCC's carbon neutral target.**

**Delivery will be supported through internal NCC teams including Energy Services, Procurement and Legal, with funding available for recruitment as stated or external support as required.**

**Direct award to Act on Energy to develop a bespoke CRM system for LAD phase 2, building on their work for previous phases of GHG. We have completed sector research and not found any alternative options that can run the same service within the required timeframe.**

**We are purchasing a separate instance of the ProContract eProcurement portal for the Midlands Energy Hub to host its procurements, primarily dynamic purchasing systems for use with the Green Homes Grant and other funded schemes. Nottingham City already uses this portal as part of East Mids Tenders, but it was not considered appropriate to host the Hub solutions on the NCC portal as the the procurements will be region-wide across the Midlands.**

**Other Options Considered:**

**Not accepting the funding - this would result in a significant missed opportunity to bring financial support into Nottingham and the wider Midlands region to address the fuel poverty and domestic decarbonisation as well as support regional green recovery.**

**Outsourcing to a third party - not possible within the timeframes and would result in a loss of revenue to Nottingham City Council.**

**Background Papers:**

**Unpublished background papers:**

**Fixed term posts.xlsx, Delivery Timeline.pdf**

**Published Works:**

**Affected Wards:**

**Citywide**

**Colleague / Councillor Interests:**

**None.**

**Consultations:**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

N/A

**Equality:**

EIA not required. Reasons: This decision relates to policies developed outside the Council by Central Government.

**Social Value Considerations:**

Potential for regional and local job creation as well as supporting economic recovery.

Supports both the councils 2028 and the national 2050 carbon neutral targets.

Offers support to improve the lives of residents across the city and region through installing energy efficiency measures, lowering energy bills and reducing fuel poverty.

**Any implications affecting IT:**

Yes

**Relates to staffing:**

Yes

**Decision Type:**

Leader's Key Decision

**Subject to Call In:**

No

The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

**Person Consulted:** Councillor Anne Peach

**Consultation Date:** 04/02/2021

BEIS have only just finalised the details of the funding offer. However, BEIS have not revised the deadlines to take into account this delay, and so the decision and project timescales have been compressed. The call-process would involve a delay of 5 working days, plus a further delay if it is called in; and could jeopardise both the funding and delivery of the programme.

**Advice Sought:**

Legal, Finance, Procurement, Human Resources, IT

**Legal Advice:**

The BEIS funding is subject to grant funding conditions which must be complied with, failing which the grant funding could be subject to clawback. Any procurement of service contracts for the BEIS funded projects must, in addition to being procured in accordance with the council's contract procedure rules and procurement rules, ensure that the service provider does not bring the council into breach of the grant funding conditions and contain an indemnity to cover such eventuality. Advice provided by Sarah O'Bradaigh (senior solicitor) on 26/01/2021.

**Finance Advice:**

The Council will be accepting this grant as part of its role as accountable body for the Midlands Energy Hub, with the Midlands Energy Hub distributing the grant to organisations across the midlands.

Accepting this grant does not increase the Council's Capital Programme and any grant allocated to the Council is required to obtain the necessary approval after undergoing the Council's capital prioritisation process. Therefore, further approval is required before committing the Council to any projects.

The grant conditions allow the Council to recover a proportion of costs while acting in its accountable body role. The Head of Energy Services as is required to ensure all grant conditions are adhered to due to the Councils Accountable Body role, reducing the risk of any grant clawback.

Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 04/02/2021.

**IT Advice:**

The IT Service supports the proposals included within this delegated decision.

The new colleagues employed to support Greener Homes will require standard individual IT equipment and software and there is provision in the funding for this. Colleagues will use a third party software as a service (SaaS) product for their main business delivery and consideration is being given to the acquisition of a customer relationship management (CRM) system. The IT Service will be able to assist Greener Homes in the acquisition of a CRM should this be required. Colleagues within Strategic Finance have been consulted regarding the functionality of the Council's financial systems and these will be suitable to support Greener Homes delivery.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 11/12/2020.

**HR Advice:**

Recruitment to 9 fixed term posts working in Phase 2 of the Greener Homes will support the work to enable improved energy efficiency of low income households across the area. These posts will be grant funded with no additional costs to the authority. Advice provided by Catherine Hartley (HR Consultant) on 10/12/2020.

**Procurement Advice:**

There are no procurement issues with the decisions being sought. The Procurement Team will work with the client to ensure that any procurement activities undertaken are carried out in line with Contract Procedure Rules. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 10/12/2020.

**Signatures:**

David Mellen (Leader/ PH Regeneration, Schools, Communications)

SIGNED and Dated: 10/02/2021

Andrew Errington (Strategic Director, Community Protection)

SIGNED and Dated: 08/02/2021