

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:	4120
Author:	Katie Greenhalgh
Department:	Commercial and Operations
Contact:	Katie Greenhalgh (Job Title: Energy Projects Manager, Email: <a href="mailto:katie.greenhalgh@nottinghamcity.gov.uk">katie.greenhalgh@nottinghamcity.gov.uk</a> , Phone: 01158762460)
Subject:	Green Homes Grant Local Authority Delivery Phase 1b
Key Decision (decision valued at more than £1million):	Yes
Key Decision (decision affects 2 or more wards):	Yes
Total Value:	£6,884,132.12 (Type: Capital and Revenue)

**Decision Being Taken:**

**Accept Department of Business, Energy and Industrial Strategy (BEIS) grant of £6,513,232,12, delegating authority to the Corporate Director for Development and Growth to sign a MOU with BEIS to accept the grant.**

**Include in the Public Sector Housing Capital Programme - Planned Schemes the GHG LAD1b Social Housing workstream, funded by £250,000 grant and £370,900 Major Repairs Reserve within the Housing Revenue Account.**

**Delegate authority to the Corporate Director for Development and Growth to procure and award contracts to allow delivery of the scheme, including using existing Solar PV and Solid Wall Insulation frameworks, 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.**

**Approve amendment to the ECO LA Flex Statement of intent to include eligibility criteria for this scheme.**

**Approve the creation of the following posts:**

**1FTE Grade H Project Manager (Fixed Term 12 months)**

**1FTE Grade G Contract Manager (Fixed Term 8 months)**

**1FTE Grade F Eligibility Officer (Fixed Term 8 months)**

**3FTE Grade E Customer Services Officer (Fixed Term 12 months)**

**2 FTE Grade E Administrator (Fixed Term 8 months)**

**4.5FTE Grade F/G PAS2035 roles (fixed term 8 months)**

**(executive decision)**

**To approve recruitment to these roles (non-executive decision)**

**Reasons for the Decision(s)**

**In July 2020 the Chancellor announced a £2 billion Green Homes Grant scheme to upgrade homes across England. Under this, £500 million funding will be allocated to local authorities through the Local Authority Delivery (LAD) scheme, to:**

- improve the energy efficiency of homes of low-income households,**
- helping reduce fuel poverty,**
- phasing out high carbon fossil fuel heating, and**
- delivering progress towards the UK's commitment to net zero by 2050.**

**The LAD scheme aims to raise the energy efficiency of low income and low energy performance homes (those with energy performance certificate (EPC) ratings of E, F or G, although Band D is also in scope in Phase 1B), including off-gas grid homes.**

**Nottingham City Council has successfully secured funding through Phase 1b of the scheme, to a value of £6,513,232.12. NCC plans to use GHG LAD 1b funding to target 590 households that would benefit from energy efficiency retrofit measures.**

**The project has three strands of intervention:**

**1. 40 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 insulation, 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. 500 owner occupied properties will receive fully funded Solar PV installations. These properties will benefit from low-carbon electricity and reduced energy costs.**

**3. 50 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.**

**The total project budget is £6,884,132.12 including £370,900 match funding from the HRA for strand 3. The budget covers capital costs, staffing structure and all ancillary costs.**

**Outputs include:**

**590 homes will have energy efficiency improved  
annual carbon savings are projected to be 452tCO2  
annual energy savings are projected to be 1,980,160 kWh  
annual bills savings are projected to be £277,050.**

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).

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 September 2021 in line with funding conditions.

1.1 The primary driver for the GHG LAD 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 £277,050 a year.

1.1 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 452tCO<sub>2</sub> annually.

1.1 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.

1.1 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.

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 off/from fuel poverty in the city.

1.1

**Strand 3 addresses 50 NCC properties. Within the capital programme currently there is insufficient budget allocated against improving solid wall properties for the Council to meet its statutory 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 almost 50% 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.**

**1.1 The budget allows for 100% funded interventions for private households in strands 1 and 2, c. 50% 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 structure (attached). New posts will be recruited according to HR guidance, with a business case for recruitment submitted with Director sign off and internal candidates considered where possible. 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.**

**Briefing notes documents:** LAD Risk Register.xlsx, LAD Project Structure.pdf, DRAFT LAflex Appendix LAD.docx

**Other Options Considered:** 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.  
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 c. 50% funding for social housing) have not been identified.

**Background Papers:** None

**Published Works:** None

**Affected Wards:** Citywide

**Colleague / Councillor Interests:** None

**Any Information Exempt from publication:** Yes

**Exempt Information:**

**Description of what is exempt:** Project Budget  
Finance Comments  
Full Funding Submission  
Draft MoU

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that 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 in that best value for money for the authority may not be achieved.

Documents exempt from publication:

Phase\_1B\_MOU\_Draft\_Template.pdf, Green\_Homes\_Grant\_-\_Local\_Authority\_Delivery\_P1b\_-\_Proposal\_Form\_NCC\_final.xlsx, Project Budget - SFB amendment.xlsx, GHG LAD1b - Finance Comments 2021 01 28 SFB.docx

Consultations:

Date: 19/01/2021

Other:CLT Leadership Group

2.1 The project was presented at CLT on 19th January 2021 and given approval to progress.

2.1 The project was presented at Leadership Group on 28th January 2021 and given approval to progress.

Date: 20/02/2021

Chief Finance Officer:Clive Heaphy

S151 officer approved future housing programmes inc. SHDFD and LAD schemes; subsequent project briefing held.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The work carried out on the pilots has resulted in increased pride in the tenants' homes and reduced anti-social behaviour through changes to design of houses and adjacent public realm. All site works will be secure during delivery.

Equality:

Please login to the system to view the EIA document: EIA LAD.docx

Social Value Considerations:

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

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

22/02/2021

**Advice Sought:**

**Legal, Finance, Procurement, Human Resources, Equality and Diversity**

**Legal Advice:**

**This report seeks authority to accept grant funding from BEIS and to spend the funding in accordance with the proposals described in the report and appendices. The City Council will be required to sign an MOU with BEIS for the funding - as at the date of this advice this MOU is in draft form and Legal Services will continue to advise and review the MOU with the Energy Team.**

**All contracts must be awarded in accordance with the City Council's Financial Regulations and the Public Contracts Regulations 2015. For the work to be carried out on the 50 NCC properties it is understood the proposed approach to delivery is via NCH, with NCH acting on behalf of the City Council to procure a contractor via direct award, through the Efficiency East Midlands (EEM) solid wall insulation framework. Provided the contract is awarded in accordance with the framework call-off conditions a direct award can be made.**

**Recommendation 4 refers to the CO LA Flex Statement of intent. It is understood that this is an administrative scheme which enables the City Council to identify which residents are eligible to receive funding for retrofit works and has been agreed with BEIS.**

**Recommendation 5 is a non-executive decision to create posts - that is a matter for the Corporate Director to determine. The report seeks authority for the funding for the posts to be created.**

**Advice provided by Andrew James, Team Leader, 31st January 2021.**

**Finance Advice:**

**This advice is exempt from publication and is contained within an exempt appendix Advice provided by Julie Dorrington, Senior Accountant on 03/02/2021.**

**Procurement Advice:**

**Procurement have been involved in project discussions, and are satisfied the approach being considered is compliant with Contract Procedure Rules. We will continue to work with the project group to advise and support on procurement related matters. Advice provided by Jonathan Whitmarsh, Lead Procurement Officer; 28th January 2021.**

**HR Advice:**

Management are proposing to create 12.5 Fixed Term positions of varying duration. All posts are to be externally funded , and management should ensure there is zero financial risk to NCC, and that all employee on costs are covered by the external funding.The proposed organisation chart shows the anticipated grades, subject to final job evaluation.

Due to the current vacancy freeze imposed by CLT, consideration must be made to the requirement to recruit, and as such, a business case for recruitment is required with support of the relevant Director and all requests should be submitted through the recruitment portal. All post will be considered for redeployment and internal sources should be considered first.

Management should be aware that all selected candidates should commence on a starting salary of Level 1 within the respective grade, unless the appointed colleague is already in employment at the Council and on level 2 of the same grade, in which case the employee would be matched over at the rate of pay they currently receive.

There will need to be a support and development for all new post holders in line with managing performance through the new probationary policy.

As all posts are initially temporary, there will need to be an exit strategy in order to terminate the contract in line with NCC guidance in the event that the contract cannot be made permanent at the end of the fixed term period. Management will need to ensure appropriate timelines are in place to notify the affected employee and give appropriate notice.

Management should also ensure that there is zero financial risk to NCC at the end of the employment period. This may apply if the appointed employees are internal appointments with previous service within NCC.

Advice provided by Labeeb Aslam, HR Consultant 0115 876 3569

Advice provided by Labeeb Aslam (HR Consultant) on 09/02/2021.

**Equality and Diversity Advice:**

The EIA has been reviewed and approved.

Advice provided by Nasreen Miah, Equality and Employability Consultant on 02/02/2021.

**Signatures:**

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

**SIGNED and Dated: 13/02/2021**

Chris Henning (Corporate Director for Development and Growth)

**SIGNED and Dated: 11/02/2021**