

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4484
Author:	Rhianna Holt
Department:	Growth and City Development
Contact:	Rhianna Holt (Job Title: Stakeholder Engagement Officer, Email: rhianna.holt@nottinghamcity.gov.uk, Phone: 07976079714)
Subject:	Sustainable Warmth Competition
Key Decision (decision valued at more than £1million):	Yes
Key Decision (decision affects 2 or more wards):	Yes
Total Value:	£86,669,150 (Type: Capital and Revenue)
Decision Being Taken:	<p>1)To approve spend of the £82.4m grant awarded by the Department for Business, Energy & Industrial Strategy (BEIS), to implement Sustainable Warmth following the Local Authority Delivery 2 delivery model following approval to bid & accept money at July's Executive Board;</p> <p>2)To delegate authority to the Director of Carbon Reduction, Energy and Sustainability to manage the grant via the Midlands Energy Hub (MEH), and to delegate authority to approve and sign funding agreements and manage grant expenditure in line with approved Project Initiation Document;</p> <p>3)To approve the 'fixed term posts' within the MEH and Nottingham City Council, as listed in the PID;</p> <p>4)To authorise allocation of grant funding to Local Authorities and the West Midlands Combined Authority in the Midlands for the installation of eligible measures by March 2023;</p> <p>5)To approve an award of contract extension to Act on Energy;</p> <p>6)To award a contract extension for Customer Journey Support.</p>

Reasons for the Decision(s)

Her Majesty's Treasury via the Department of Business Energy and Industrial Strategy (BEIS) have launched the Sustainable Warmth Competition to bring together Local Authority Delivery Phase 3 (LAD3) and Home Upgrade Grant Phase 1 (HUG1) into a single funding opportunity for Local Authorities. BEIS have allocated £200m to LAD3 and £150m for HUG1. Both schemes aim to support low-income households in England, living in energy inefficient homes by installing energy efficiency and low carbon heating upgrades tackling fuel poverty, reducing the cost of bills, contributing to Net Zero targets and supporting low-income households in the transition to low-carbon heating.

BEIS are commissioning the Midlands Energy Hub to procure services that support upgrading eligible homes across the Midlands. Nottingham City Council's Carbon Reduction, Energy and Sustainability Division are the accountable body for the Midlands Energy Hub. This will include awarding funding to participating Local Authorities once a satisfactory delivery proposal has been submitted and extending existing relationships with Customer Journey Support as procured for Local Authority Delivery Phase 2 (LAD2).

The allocation provided will be via a Section 31 grant and associated MoU. The contract extension to Act on Energy who maintain a bespoke Customer Relationship Management system created for LAD phase 2, will build on their work for previous retrofit schemes. The MEH have completed sector research and not found any alternative options that can run the same service within the required timeframe.

Local Authorities will have responsibility of claiming required social and private landlord contributions (estimated £4.23m).

Other Options Considered:

Not to proceed with grant funding successfully won - Lessons learnt from LAD Phase 2 show that some Local Authorities lack capacity to submit an individual bid. Without MEH support, there could be a significant missed opportunity to bring financial support into Nottingham and the wider Midlands region to address the fuel poverty and domestic decarbonisation issues.

Background Papers:

Published Works:

Delegated Decision 4116, Executive Board report and minutes - July 2021

Affected Wards:

Citywide

Colleague / Councillor Interests:

Any Information Exempt from publication:

Yes

Dispensation from Financial Regulations: Yes

Exempt Information:

Description of what is exempt: Project Initiation Document

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).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it includes commercially sensitive information which could prejudice future negotiations between the Council, BEIS and other local authorities.

Documents exempt from publication: PID - SWC V1.2.docx

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: NA

Equality: EIA not required. Reasons: National policy

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 04/01/2022

Advice Sought: Legal, Finance, Procurement, Human Resources

Legal Advice:

The proposals in this report supplement the earlier decision taken at Executive Board in July 2021, where approval to submit a bid to BEIS for the Sustainable Warmth Competition was approved. At that time insufficient detail as to the allocation of the funding was available and acceptance of the funding and approval to enter into the MoU with BEIS if successful, was made subject to the submission of and acceptance of a business case/PID.

The City Council has been successful in obtaining the funding from BEIS under the Competition and the detail of how and in what quantities the funding is to be allocated to participating Local Authorities is detailed within the PID. The City may receive the funding and act as Accountable Body under the powers granted to it under s.1 Localism Act 2011. The City Council must ensure compliance with the conditions imposed upon it under the MoU with BEIS in receipt of the grant with respect to management and distribution of it in this role.

Grants are not covered by the Public Contracts Regulations 2015 and so there is no requirement for a procurement process to be followed. However, where the grant monies are allocated to Local Authorities, grant agreements should be established to reflect the funding allocation following LA's Development Plan submissions detailing how grant monies are to be used, and to ensure the obligations imposed upon the City Council under the MoU are passed down where appropriate.

The LA grant recipients shall be required to provide such information and comply with any instructions from the Council to ensure that a grant remains compliant with the Subsidy Control Regime Rules including where appropriate obtaining and sharing subsidy advice to ensure compliance.

It is understood that the extensions of the contracts are permitted in accordance with Article 18.99 of the Contract Procedure Rules under the Council's Constitution.

Any spend or allocation to third parties that is not covered by a grant or an approved contract extension as detailed specifically within the report must be in accordance with the Council's constitutional requirements. Advice provided by Dionne Claire Screamon (Solicitor) on 15/12/2021.

Finance Advice:

See attached file.

Advice provided by Tania Clayton Perez (Commercial Business Partner) on 16/12/2021.

Advice documents: Sustainable Warmth Fin Obs.docx

HR Advice:

The proposal, if approved, seeks authorisation to spend a total of £1,194,296.81 of £82.4m of grant funding received from the Department of Business, Energy and Industrial Strategy (BEIS), to cover staffing costs at the Midlands Energy Hub (£809,358.06) and Nottingham City Council (£384,938.75), to administer the Sustainable Warmth Competition programme that supports low income households in energy inefficient homes by installing energy efficient and low carbon heating upgrades.

The proposal seeks to extend a number of existing fixed term contracts (FTC) or secondments at the Midlands Energy Hub and Nottingham City Council until June 2023 in order to support the administration and delivery of the scheme.

As funding for these posts is temporary in line with the funding available, the service will need to be aware of the associated redundancy costs after the employees have been in post for more than 2 years and budget accordingly. Should the extension of the FTC take individuals beyond a 2 year period, the service will need to be aware of the associated redundancy costs. At this point, the recommendation is for the service to consider making the employees permanent, rather than to continue extending the FTC incrementally. If redundancies need to be made after this time, the affected employees should be consulted with accordingly, in line with the Restructuring Principals and Redundancy Guidelines.

The proposal also seeks approval to recruit to four posts which are currently vacant, as detailed below, until June 2023:

- . Legal Support - Grade I
- . Principal Fuel Poverty Project Officer - Grade H
- . Fuel Poverty Project Office - Grade F
- . Project Support Officer - Grade E
- . Customer Service Officer - Grade E

A number of the roles are specialist in nature and the knowledge and capacity to carry out this work is not currently available in the existing team, therefore this proposal seeks approval to recruit to these posts.

Any appointment to these temporary posts should be on a FTC or secondment basis and in accordance with the Council's recruitment process. If approved, recruitment for the posts cannot commence until the posts have been established in Oracle Fusion.

I understand from management that a job description already exists for the above job roles that has undergone a job evaluation process and been evaluated as detailed above.

Recruitment should follow the current protocols, with consideration for the current vacancy freeze and budget/spending controls that are in place. A business case for recruitment is required, with the support of the relevant Director, and all requests should be submitted through the recruitment portal. The posts will be considered for redeployment in the first instance. The service should ensure that their recruitment process is supportive of the Council's Equality, Diversity and Inclusion (EDI) strategy and make every effort to attract a diverse pool of applicants.

Management should be aware that the selected candidates should commence on a starting salary of Level one within the respective grade, unless the appointed colleague is already in employment at the Council and currently on Level two 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 plan for the new post holders once appointed in line with managing performance through the probationary policy. An appropriate exit strategy must be in place in order to terminate the contracts in line with NCC guidance in the event that the post/funding cannot be made permanent at the end of the FTC. Management will need to ensure appropriate timelines are in place to notify the affected employees and give appropriate notice.

Employees should be referred to redeployment in good time, 12 weeks before the end of contract (end of funding), and supported by management throughout the redeployment process.

Advice documents: Online DDM - Sustainable Warmth Competition (SYS).docx

Procurement Advice:

There are no procurement concerns with the decisions being sought. The Head of Procurement, after consultation with Legal Services, has confirmed that the contract extension for the CRM system is in accordance with Contract Procedure Rule 18.99. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 07/12/2021.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)

SIGNED and Dated: 23/12/2021

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 22/12/2021

Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations

NOT SIGNED