

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4498
Author:	Catherine Judge
Department:	Growth and City Development
Contact:	Catherine Judge (Job Title: Senior Energy Projects Officer, Email: catherine.judge@nottinghamcity.gov.uk, Phone: 07719419268)
Subject:	Acceptance of additional grant funding for DREeM (Deep Retrofit Energy Efficiency Model) homes
Total Value:	£530,200 (Type: Capital)
Decision Being Taken:	<p>Approval to enter into contract with British Gas Trading Limited to accept £530,200 Energy Company Obligation (ECO) funding. This funding will support work currently planned to be delivered through the DREeM project.</p> <p>Approval to transfer £50,200 funding to Energiesprong UK, a project partner completing defined project management, monitoring and reporting activities as defined in the contract.</p> <p>Approval to increase this project within the Public Sector Housing Capital Programme by £480,000 funded as above (£80,000 grant per house for 6 houses) (also subject to Capital Board approval).</p>
Reasons for the Decision(s)	<p>The DREeM project is delivering the Energiesprong deep retrofit model to 155 Nottingham City Homes' managed properties, reducing carbon emissions, energy costs and fuel poverty. Costs of delivering the model for phases 1 and 2 of the project have been higher than expected, which has meant that phases 3 and 4 are to be re-procured with an amended specification to ensure that the project is delivered within budget. NCC has however been given the opportunity to deliver 6 phase 2 homes to the Energiesprong standard with ECO funding, administered through British Gas, to a value of £480,000. This will raise the project budget by £480,000 but will be 100% grant funded. Paying for 6 homes through ECO funding will ensure that the existing budget for these properties can be transferred to phases 3 and 4 and a higher specification of retrofit can be delivered on these later phases. British Gas have also agreed to provide £50,200 funding to EnergiesprongUK (ESUK) for project management, monitoring and reporting activities, which will be "passed through" from NCC to ESUK. ESUK are also overseeing a complimentary project with Sutton Housing Partnership which will share learnings and contribute to British Gas' ECO targets too.</p>

Other Options Considered: Not accepting the funding was considered but rejected - accepting the funding presents an opportunity for remaining phases of the project to be delivered to a higher specification without any additional capital requirement from NCC. The only risk to the funding is that the homes need to be completed by December 2021 which is deliverable within the current project plan.

Background Papers:

Published Works: Delegated Decision 3296 (DREEM project approval)

Affected Wards: Radford, St Ann's

Colleague / Councillor Interests: N/A

Consultations:
Date: 16/06/2021
Other City Council Bodies: Council Housing Energy Efficiency Programme Board
CHEEPB provides the governance structure for NCC domestic retrofit projects and provides oversight of DREEM decision making, including reviewing the procurement approach and funding.

Date: 12/07/2021
Chief Finance Officer: Capital Board Officer Group
Confirmation received that Capital Board Officer Group will review the decision but no further approval required from the Board due to 100% grant funding and existing project.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: This is not a new programme of work

Equality: EIA not required. Reasons: This is not a new programme of work

Social Value Considerations: N/A - existing procurement route and delivery contract to be used. Contract is to accept additional funding.

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 27/01/2022

Advice Sought: Legal, Finance, Procurement

Legal Advice:

There are, in principle, no significant legal issues arising from this decision to accept grant funding.

The agreement has been reviewed by Legal Services and an agreed position on the grant terms has been negotiated. It is considered that the grant agreement provides the best outcome to represent the interests of both parties.

The funding that is allocated for EnergieSprong will flow through to them and represents a wider element of work that they are undertaking as a delivery partner for the both the Council and Sutton Housing Partnership. It has been deemed most appropriate that the funding from British Gas to EnergiSprong is included within the grant to NCC. This does not create any significant legal concerns.

Advice provided by Naomi Vass (Senior Solicitor) on 26/11/2021.

Finance Advice:

Please see financial advice attached. Advice provided by Sarah Baker (Commercial Business Partner - Projects) on 29/07/2021.

Advice documents: 210728 - DREEM Finance Comments ECO v4 FINAL uploaded to system.docx

Procurement Advice:

In as far as this DDM seeks approval solely to accept grant funding, there are no direct procurement implications to the decision being sought. Appointments made to deliver the schemes must be made in accordance with Contract Procedure Rules, and the Procurement Team will continue to work with Energy Projects to ensure this. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 15/07/2021.

Signatures

Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)

SIGNED and Dated: 06/01/2022

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 06/01/2022