

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4667
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Department:	Growth and City Development
Contact:	Michael Gallagher (Job Title: Regional Energy Project Manager, Email: michael.gallagher@nottinghamcity.gov.uk, Phone: 07864 969755)
Subject:	Private Rental Sector Enforcement Competition - Additional Funding
Key Decision (decision valued at more than £1million):	Yes
Total Value:	£2 million (Type: Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1) To approve a variation to the existing Section 31 Agreement to accept an additional £2 million of grant funding from the Department for Business, Energy and Industrial Strategy (BEIS) with respect to the Private Rental Sector Enforcement Project.2) To use the funding to support the previously assessed, successful competition applicants to enforce the Minimum Energy Efficiency Standards (MEES) Regulations in the Private Rental Sector.3) To approve use of part of the 8% Midlands Net Zero Hub (MNZH) management fee to fund two Project Support Officer roles. The funding for these posts is being approved by the Leader of the Council as an executive decision, and the establishment of the posts is being approved by the Corporate Director for Growth and City Development under Delegation 16 as a non-executive decision.4) To delegate authority to the Head of the Midlands Energy Hub, in consultation with the Director of Carbon Reduction, Energy and Sustainability, to enter into any contract variation documentation with the BEIS, and to enter into any associated agreements with the successful applicants.

Reasons for the Decision(s)

The BEIS is committed to delivering support to enable the enforcement of the MEES at a Local Authority level, incentivising landlords to improve their properties for their tenants and making homes warmer and less costly to heat. This additional funding will be managed by the MNZH within the Carbon Reduction, Energy and Sustainability (CRES) Division, enabling engagement on this important issues across the country in support of the low carbon economy and fuel poverty mitigation. The total competition value is being increased by £2 million to £6.7 million due to a significant uptake of the competition, with 116 Local Authorities applying. The additional funding seeks to support about 26 additional Local Authorities to the 59 initially supported. A portion of the funding will be allocated to the MNZH and the Council's CRES Division to deliver and monitor this scheme. The MNZH is well-placed to do this, has managed and delivered the project phase associated with the initial funding, and is set to continue generating revenue for the Council and enhancing the potential to create jobs across the region. The BEIS has specifically requested the CRES Division's MNZH's support on this project due to its successful track record in project development and support, with an ability to meet challenging deadlines. CRES Division's MNZH management of this scheme raises the profile of the Council.

Other Options Considered:

To not accept the grant: this option is rejected as it would be a missed opportunity to support the improvement of private rented properties that will benefit tenants and help reduce fuel poverty and carbon emissions across England and Wales, and would represent a loss of revenue for the Council. Furthermore, the programme is underway and this funding is a top-up that will increase the management fee available from the competition that will support the Council's Medium-Term Financial Plan.

Background Papers:

None

Published Works:

Delegated Decision 4150: Private Rental Sector Enforcement Competition (<https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=5495>) Delegated Decision 4319: Private Rental Sector Enforcement Competition (<https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=7672>)

Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no direct impacts on crime and disorder as the decision is about supporting Local Authorities to improve the condition of private rented housing stock and reduce fuel poverty and carbon emissions.
Equality:	EIA not required. Reasons: This decision does not represent proposals for a new or changing policy, service or function.
Relates to staffing:	Yes
Decision Type:	Leader's Key Decision
Subject to Call In:	Yes
Call In Expiry date:	13/07/2022
Advice Sought:	Legal, Finance, Human Resources

Legal Advice:

The Council has been awarded additional funding from the Department for Business, Energy and Industrial Strategy (BEIS) to expand the Private Rental Sector Enforcement Competition. The Council may receive the funding and act as Accountable Body under the powers granted to it under section 1 of the Localism Act 2011. The Council must ensure compliance with the conditions imposed upon it under the varied Memorandum of Understanding (MoU) with the 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 detailing how grant monies are to be used, and to ensure the obligations imposed upon the Council under the MoU are passed down where appropriate. The Local Authority 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. Appropriate assessment of the Subsidy Rules should be undertaken prior to allocation of the monies. 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 Sreaton (Solicitor) on 01/07/2022.

Finance Advice:

The Council seeks to accept the additional Private Rental Sector Grant of £2 million (see previous delegated decisions 4150 and 4319) from the Department for Business, Energy and Industrial Strategy (BEIS) as part of its role as Accountable Body for the Midlands Net Zero Hub (MNZH), with the MNZH distributing the additional grant to eligible Local Authorities through a competition. A further 25 Local Authorities will be supported that were not successful at both the first two rounds. The grant conditions within the Memorandum of Understanding allow the Council to recover a further proportion of costs whilst acting in its Accountable Body role (to note: this percentage element differs from that set out in delegated decision 4150 at 10%, but is the same as the 8% set out in delegated decision 4319).

The Head of the MNZH is required to ensure internal systems are created so all grant conditions are adhered to due to the Council's Accountable Body role, this will minimise the risk of any grant clawback and offer a transparent view of how the grant has been utilised. As existing full-time employees are likely to extend their service to support grant delivery, provision for any additional redundancy costs as contract dates exceed two years in total will need to be contained within the administration element of the grant.

Advice provided by Michelle Pullen (Commercial Business Partner) on 28/06/2022.

HR Advice:

See attached document.

Advice provided by Raj Athwal (HR Consultant) on 01/07/2022.

Advice documents: Online DDM - Private Rental Sector Enforcement Competition Additional Funding (RA).docx

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)

SIGNED and Dated: 05/07/2022

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 01/07/2022