

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4868

Author:

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Department:

Growth and City Development

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Subject:

Warm Homes Fund Extension to Funding

Total Value:

£43,779 (Type: Capital and Revenue)

Decision Being Taken:

To ratify the offer of additional grant funding from Affordable Warmth Solutions (AWS) on behalf of the Warm Homes Fund, to fund the installation of first-time central heating (FTCH) systems to an additional 16 households. 2 To use 5% of £43, 779 grant funding towards NCC project management costs and to forward the remainder of funds to E.ON to enable them to install the FTCH measures. 3: To delegate authority to the Director of Carbon Reduction, Energy and Sustainability to enter into a variation to the existing Grant funding agreement with AWS dated 8th March 2022, and to enter into a variation agreement varying the terms of the collaboration agreement dated 28th April 2020 with E.ON.

In 2019 a Portfolio Holder decision (DDM3470) approved the spend of a fully funded project to support the council plans targets around fuel poverty. Funding was allocated through the Warm Homes Fund; a £150m pot established by National Grid and Affordable Warmth Solution (AWS) designed to support local authorities, registered social landlords and other organisations to work in partnership to address some of the issues affecting fuel poor households.

The grant was received by NCC on the basis of a partnership arrangement with other organisations for a number of energy project purposes, one of which saw E.ON supply/ provide gas main connections and installation of new gas boilers to 100 homes meeting the fuel poverty criterion. These energy efficiency measures to the urban (category 1) households were allocated grant funding of £273,620. The principle project purpose was in line with our Council Plan 2015-19 key objective to tackle fuel poverty. Match funding was provided by other partnership organisations but not the Council.

The Grant Funding Agreement dated 4th Feb 2020 stipulated that the funds paid to NCC should be delivered by Nov 2021. Under the Grant Funding Agreement NCC is paid 5% of the grant amount to account for staff time. NCC continues to be accountable for the funds and for the partner organisations' use of them. NCC subsequently entered into partnership agreement(s) with its partner(s) that included a Collaboration Agreement / Contract with E.ON. for the supply of the services. The agreement was to continue until the 31.03.2022 or until payment of the full amount of the grant funding to the Council, if later.

The original project aimed to improve the energy efficiency of household heating systems by installing gas connections and first-time central heating, as well as providing assistance to those vulnerable to fuel poverty through signposting to local support such as Nottingham Energy Partnership. The project has so far delivered the establishment of ward-based advice centres together with the installation of first Time Central Heating and Gas connection to 100 properties with E, F and G EPC ratings. This project has been delivered across the City The installation and delivery was carried out by E.ON who provided match funding in the form of Energy Company Obligation (ECO) funding and are a project partner.

The COVID 19 pandemic

prevented full delivery against the target number of installations envisaged at the outset. Meanwhile more homes were identified as meeting the relevant criteria for connection to mains gas. Due to the success of the project AWS have offered an increase of £83,041.70 to provide gas connection and first time central heating, replacing old and inefficient heating methods to a further 16 households, of which £43,779 will be administered through Nottingham City Council. The remaining £39,261.70 is match funded from ECO grant, paid directly to our delivery partner E.ON.

A variation of the existing Grant Funding Agreement, effective from 8th March 2022 has been drawn up to allow NCC to access the grant finding. Under this agreement NCC will receive 5% of the increased grant value from AWS for staff time. The FTCH measures must be installed by August 2022

Accepting this grant will require no match funding from NCC and enables a further tranche of work to be delivered by EON as part of the wider programme.

Other Options Considered:

mso-fareast-font-family:Calibri;mso-fareast-theme-font:minor-latin;color:black;mso-ansi-language:EN-GB;mso-fareast-language:EN-US;mso-bidi-language:AR-SA">Do nothing and do not accept the offer to extend the amount of the Warm Homes Fund grant authorised in DDM3740. This would reduce the overall amount of funding available within the city for energy efficiency measures for domestic homes and for this reason this option was rejected

Background Papers:

None

Published Works:

Delegated Decision 3470 Funding from the Warm Homes Fund - December 2019

Affected Wards:

Citywide

Colleague / Councillor Interests:

None

Consultations:

Date: 12/07/2022

Other City Council Bodies:Capital Board.

Approved

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime and disorder implications arising from this decision

Equality:

EIA not required. Reasons: This is an extension of a previously agreed funding stream so no further EIA is required

Social Value Considerations:

N/a

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

08/08/2022

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The Council continues as lead bidder, as a result of delays due to the pandemic and to receive Warm Homes funding under a Grant Funding Agreement with AWS, for energy efficiency and improvement project purposes for households in fuel poverty. Receipt and use of the funding was approved under Portfolio Holder decision DDM 3470 due to the overall value of the initial project. Under an existing reciprocal agreement with bid partner E. ON, the Council pays over the funding as target installations are delivered, which include clawback provisions. To accept receipt of the offer of additional funds from AWS and agree an extension of the target delivery dates, variation agreements with both AWS and E.ON will be needed to formalise the revised position and to continue to protect the Council's position. This decision would be in accordance with existing policy and although the Council is not providing match funding, the Council's budget is affected as the council is accountable for the additional funding which was not within scope of initial decision DDM3470. Advice provided by Richard Bines (Solicitor) on 11/07/2022.

Finance Advice:

The amount of overall grant received will be £43,779 with 5% (£2,179) retained by Nottingham City Council as a contribution towards the project management costs incurred in the administration of the grant. The remaining grant will be paid to E.ON as outlined within this decision. There is no match funding required from the Council and this therefore has no material impact on the financial position of the Council.

The grant has not been received yet as it is paid quarterly following satisfactory submission of a project report to the funders. In order to ensure payment is requested in a timely manner, the service must ensure that all records are kept to satisfy the funders and that the requests are made within correct timescales.

Once payment has been approved and received by the Council, the payment is made to E.ON so there is no risk to the Council. Due to this way of receiving the grant, the 5% retention for project management is only received following the audit process. In this instance the amount is not material and the risk is minimal.

This has been to Capital Board 12.07.22 and following approval of this process will be added to the Grants Register. Advice provided by Susan Tytherleigh (Senior Finance Manager) on 26/07/2022.

Procurement Advice:

As this DDM seeks approval to (a) extend funding to a current scheme, and (b) vary the existing agreement in place for that scheme, there are no direct procurement implications to the decisions being sought. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 11/07/2022.

Signatures

Sally Longford (PH for Energy, Environment and Waste Services)
SIGNED and Dated: 01/08/2022
Sajeeda Rose (Corporate Director of Growth & City Development)
SIGNED and Dated: 01/08/2022