

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4908
Author:	Michael Gallagher
Department:	Communities, Environment and Resident Services
Contact:	Michael Gallagher (Job Title: Regional Energy Project Manager, Email: michael.gallagher@nottinghamcity.gov.uk, Phone: 07864 969755)
Subject:	Heat Training Grant
Key Decision (decision valued at more than £1million):	Yes
Total Value:	£5million (Type: Revenue)
Decision Being Taken:	<p>1) To accept £5 million in grant funding from the Department for Energy Security and Net Zero (ESNZ) for the Heat Training Grant, and to delegate authority to the Director for Energy and Sustainability (ES) to enter into a Section 31 Agreement for the funding.</p> <p>2) To delegate authority to the Head of Midlands Net Zero Hub, in consultation with the Director for ES, to utilise the grant funding to design and run a skills training competition to award grants of up to £1 million to training provider organisations to up-skill and re-skill people and businesses so that they can install low carbon heating and heat networks, to facilitate Government retrofit and heat decarbonisation programmes.</p>

Reasons for the Decision(s) ESNZ is committed to delivering support to enable the Government's retrofit and low carbon heat initiatives to be both an economic stimulus and contributor to the UK's carbon net-zero ambitions. This funding will be managed by the Midlands Net Zero Hub, within the Council's ES Division, enabling training provision across the region in support of the low carbon economy. The total competition value is £5 million, 8% of which will be allocated to the Hub and the ES Division to design, deliver and monitor the competition. The Hub is well-placed to do this, and it will generate revenue, through the agreed management fee (£40,000), for the Council and create jobs across the region. This work also aligns with the D2N2 Local Enterprise Partnership's Energy Strategy and developing Local Industrial Strategy, supporting the skills agenda that will enable green growth. Furthermore, it will support the supply chain development that is needed to meet the Council's Carbon Neutral 2028 ambitions. ESNZ has requested the Hub's and the ES Division's support on this project, due to their successful track record in project development and support, including a very similar programme, with an ability to meet challenging deadlines. A LKD is required due to the tight timeframes of the project; the MoU was received w/c 20/02/23 and needs to be returned by 3rd April 23.

Other Options Considered: To not accept the grant: this option is rejected as it would represent a loss of revenue through the Midlands Net Zero Hub's continued contribution to the MTFP, through management fees of its grant funded programmes, for the Council and would be a missed opportunity to support the development and growth of a skilled workforce in a growth sector.

Background Papers: NA

Published Works: NA

Affected Wards: Citywide

Colleague / Councillor Interests:

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

Crime and Disorder Implications: NA

Equality: EIA not required. Reasons: This decision does not represent proposals for a new or changing policy, service or function. However, as with previous programmes, an evaluation will be conducted at the end of the programme to determine impact.

Social Value Considerations:

This is predominantly a competition exercise as opposed to a procurement exercise, though advice from Procurement may be needed at times, alongside support for the contracting of an external evaluator at the close of the programme.

Relates to staffing:

Yes

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

12/04/2023

Advice Sought:

Legal, Finance, Procurement, Human Resources

Legal Advice:

This decision is being taken as a Key Leaders Decision. It should, therefore, comply with the Council's Constitution. The decision-maker should be assured what the exceptional circumstances are that amount to an urgency and mean it is not possible to take the decision to a scheduled meeting. The justification should contain as much information as possible to assist the decision-maker.

In accepting the funding, the Council will need to comply with the conditions of the Memorandum of Understanding. NCC is the responsible and accountable body under the MOU and will receive the funding on behalf of Council colleagues working under the banner of the Midlands Net Zero Hub ("the Hub").

The Hub should note that the funding must be used for the delivery of the "Heat Training Grant" only. Officers involved in the administration of the funding should ensure that they have read and understood the requirements of its delivery and should refer to legal if there are any doubts. In particular, whilst there are a number of administrative exercises to be undertaken, and a portion of the funding identified to cover those administrative costs, this grant does not create a "revenue stream"; it only allows specific tasks in this project to be funded by that identified portion of the grant. Further, if used to fund specific posts the Council will need to ensure those posts only work on the delivery of the heat training grant scheme and no other schemes.

Funding will be delivered in two instalments - £2 million by 14 April 2023 and the remainder when the Department is satisfied that the Council is meeting its objectives. Funding must be spent by 31 March 2025 and any underspend returned to the Department within 30 days of 30 April 2025.

The Hub will be responsible for administering the grant to Training Providers that meet the Department's criteria. This will include designing the application process and accompanying guidance, as well as monitoring the activities of the Training Provider. Officers should be confident that all technical requirements can be met before the funding is accepted. In particular, the Council must ensure appropriate terms from the main grant are cascaded to recipients to ensure the Council's position is protected as much as possible.

A data sharing agreement must be agreed with the Department to facilitate the monitoring and evaluation of the grant - please liaise with legal and/or information governance for support if required in respect of the proposed agreement.

It is assumed that advice in relation to subsidy control has already been provided. The Council must assure themselves that they are meeting the obligations under the Subsidy Control Act 2022 and/or their use of an exception is robust and will withstand scrutiny or challenge; this process must be led and signed off by colleagues who work in this area, as they will have the required knowledge and understanding of the relevant market and what impact the proposal will have, and be recorded in an auditable manner.

It is surprising that no monitoring of the take-up of the grant is required for Equality Act 2010 purposes. Even if not prescribed by the Department, the Council should consider the merits of securing such data in order to both show compliance with the Equality Act 2010 as a Council and identify, if appropriate, any improvements that could be made in the future use of such funding.

**Advice provided by Olivia Watkinson and Anthony Heath, Contracts and Commercial, 14th March 2023
Advice provided by Anthony Heath (Senior Solicitor) on 14/03/2023.**

Finance Advice:

This decision seeks the approval to accept £5m in grant funding from the Department for Energy Security and Net Zero (DESNZ) for the Heat Training Grant.

Previously the government funded a £6m Green Homes Grant Skills Training Competition followed by a £9.2m Home Decarbonisation Skills Training Competition. These aimed to support the upskilling of supply chains in energy efficiency and low carbon heating measures ("the Skills Training Competition").

This funding will be managed by the Midland Net Zero Hub, within the Council's ES Division, enabling training provision across the region in support of the low carbon economy.

The total competition value is £5m, £400k (8%) of which will be allocated to the Hub and the ES Division to design, deliver, and monitor the competition.

A separate cost centre will be used to assist in managing the grant and payments for which the budget/project manager will be responsible for. This will include ensuring all grant conditions are adhered to due to the council's accountable body role. This will minimise the risk of any grant clawback.

Advice provided by Sejal Mistry (Senior Commercial Business Partner) on 20/03/2023.

HR Advice:

NCC will administer the training which will be delivered by external providers who are already delivering other training for the service area. This decision allows NCC to continue with the same training providers. There are no HR or employment matters that need to be considered as the training will be provided by external organisations. Advice provided by Shakeel Khalil (Senior HR Consultant) on 27/02/2023.

Procurement Advice:

There are no significant procurement issues with the decision being sought. In the event that the format of the skills training competition is such that a formal procurement in line with the Public Contracts Regulations 2015 is necessary, the Procurement Team will work with the MNZH to ensure compliance with this and Contract Procedure Rules. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 27/02/2023.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 03/04/2023
Dr Ita O'Donovan (Interim Corporate Director, CERS)
SIGNED and Dated: 03/04/2023