

Midland Net Zero Hub Grant Funding

NCC has previously received funding from Department for Energy Security & Net Zero (DESNZ) to deliver the Net Zero Programme and through subsequent variations the Memorandum of Understanding (MoU) as below:

	Grant (£)	Funding Period	Total Grant Award
Original MoU 27/10/2022	£970,000 Original Funding	27 October 2022 to 31 March 2023	£970,000
Variation No 1 10/03/2023	£250,000 <i>Core & Additional Funding (22/23)</i>	27 October 2022 to 31 March 2023	£1,220,000
Variation No 2 14/08/2023	£1,496,710.53 <i>Core & Additional Funding (23/24)</i>	27 October 2022 to 31 March 2024	£2,716,710.53
Variation No 3 xx/xx/2024	£1,770,000 <i>Core & Additional Funding (24/25)</i>	X June 2024 to 31 March 2025	£4,486,710.53

This decision seeks to accept and spend Variation Number 3 funding in line with NCC Financial Regulations, Spend Control and NCC Procurement Rules.

Financial Considerations

The proposed spending plan for the grant is detailed in the table below. This includes additional recruitment for a Heat Network Zoning Officer on 2 year fixed term contract (H or I grade) and continuation of the Public Sector Decarbonisation Scheme (PSDS) roles for an additional 2 years.

Staffing costs are costed as fully cost recovering including pension deficit costs.

Proposed Spending Plan for MNZH Grant	
Salary plus on-costs (18 FTEs)	£ 952,343.00
Ancillary Costs (incl travel, recruitment and events)	£ 35,000.00
Grants	£ 100,000.00
Consultancy (incl legal fees)	£ 150,000.00
NCC Management Fee	£ 177,000.00
Contingencies (incl redundancy provision)	£ 355,657.00
Total Funding	£1,770,000.00

Risk Consideration

Potential national pay awards have not been estimated in the current costings, however, there is contingency within the grant funds to reallocate budget to account for this potential additional cost. Redundancy costs may be applicable at the end of the allocated funding, dependent on employee's local authority pension history, and would to be funded from the grant funding allocation for contingencies.

The contingency within the grant funding also covers potential close down costs if the programme was to end.

Ian McLellan – Interim Strategic Finance Business Partner - CERS
11th June 2024