

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2905

Author:

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Department:

Development

Contact:

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Subject:

Low Carbon Grants for Businesses ERDF Project

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£1,200,000 (Type: Revenue)

Decision Being Taken:

Executive:

1. To approve submission of a bid for a grant from ERDF for £600,000;
2. to delegate approval to the Strategic Director of Economy to sign the grant funding agreement if successful, and to enter into contracts for distribution of the grant, and to receive match funding;
3. subject to the bid being successful, to agree to the funding of 2 members of Staff (H grade) for a 2 year period, and as part of the project conduct energy efficiency audits.

Non-Executive:

4. Under Delegation 16: to appoint the 2 staff members highlighted at no. 3 above.

Reasons for the Decision(s) ERDF Funding is available through D2N2 to support a low carbon economy. Nottingham City Council is bidding for this ERDF funding, which will unlock grants for businesses to install low carbon equipment (eg lighting, heating cooling). Match funding will be provided by businesses in receipt of the grant. There is no requirement for NCC matched funding. As part of the project, a manager will be appointed in Nottingham City Council as accountable body, to promote the scheme to businesses in N2 area (Nottingham and Nottinghamshire) through the Growth Hub, and administer claims. Then Energy Advisors from the Energy team will conduct free audits for businesses, before recommending capital investment in the business. The business will then receive a 40% grant off the purchase of the kit. This project benefits Nottingham as a city, by promoting a green lower carbon economy, and promotes low carbon businesses in the city who will be part of the supply chain.

Other Options Considered: Not bidding. We don't have to bid for the money, however by doing so we will reduce carbon emissions, employ for a 2 year contract 2 staff members, and support the employment of the energy team and their commercial agenda. Also, the programme will help support businesses in the city in the low carbon supply chain sector. We considered the risk that the return from sales does not cover the outlay on staff costs. We estimate the maximum exposure at £20,000 (based on 6 months salary for 2 people, 50% ERDF funded), with zero revenue from sales. On past experience we consider this to be very low risk and therefore recommend underwriting this cost of the project. We will mitigate this risk with tight project management, securing expression of interest sign up from businesses before the project starts and monthly reviews during the first 6 months

Background Papers:

Published Works:

Affected Wards: Citywide

Colleague / Councillor Interests:

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

Crime and Disorder Implications: None. The project is designed to promote a low carbon economy and will be managed as part of the Nottingham Growth Hub, so has no crime or disorder implications

Equality: EIA not required. Reasons: Equality and Diversity will be monitored and promoted as part of the activity, with specific targeting to ensure take up across all parts of the community.

Relates to staffing: Yes

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 09/08/2017

Advice Sought: Legal, Finance, Human Resources

Legal Advice: This report does not raise any significant legal issues however the City Council must ensure it puts in place contracts with the private sector which minimize as far as possible the potential liability which could be incurred by the City Council in giving advice about energy efficiency measures. Those contracts must also include appropriate audit provisions to ensure the City Council is able to comply with its grant funding agreement. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 12/05/2017. Advice provided by Noel McMenamin (Governance Officer) on 12/06/2017.

Finance Advice: This project seeks to help local businesses with the cost of installing energy efficient products thereby supporting a low carbon economy.

The local businesses are required to contribute 60% towards the costs of the energy efficient product, with NCC contributing the remaining 40%. NCC's contribution is to be funded by the ERDF which will match the businesses contribution, allowing for a 20% surplus, which is to be retained by NCC to fund the project running costs that include 2 H grade posts, the provision of energy audits and marketing.

The amount of ERDF funding available to NCC to cover the project running costs is dependent on the value of energy efficient products that are purchased by the businesses. If the service does not meet the target sales there is a risk the ERDF funding retained may be insufficient to cover costs incurred by the authority. The risk here has been raised with the service. A small contingency budget has been included in the model to provide some cover. Finance recommends controls are put in place to enable the monitoring of costs, also reviews should be completed at regular intervals to the service to review the continued viability of the project. Any costs incurred not met by the ERDF will need to be funded from elsewhere within the service.

Chanelle Poyser (Commercial Business Partner) on 24/05/2017. Advice provided by Noel McMenamin (Governance Officer) on 12/06/2017. Advice provided by Noel McMenamin (Governance Officer) on 14/06/2017.

HR Advice:

The recruitment of staff to deliver this project (1 x H grade post, 1 x I grade post will be in line with NCC recruitment procedures.

If staff are in post for over 2 years, sufficient budget should be set aside to cover any redundancy payments that may arise. (should suitable alternative employment not be available via re-deployment pool). Advice provided by Saema Mohammad (Service Redesign Consultant) on 04/05/2017. Advice provided by Noel McMenamin (Governance Officer) on 12/06/2017. Advice provided by Noel McMenamin (Governance Officer) on 14/06/2017.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 31/07/2017
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 31/07/2017