

# Acceptance of Decarbonisation Grant Funding

Councillor Andrew Smith Cabinet Member for Innovation, Commercialisation and Corporate Services



Date:	9 February 2021
Agenda Item:	N/A
Contact Officer:	Tracey Tudor
Tel Number:	
Email:	tracey.tudor@Lichfielddc.gov.uk
Key Decision?	YES
Local Ward Members	If any Wards are particularly affected insert the name of the Ward Members and their Ward. Ensure that the Ward Members have been consulted.

## Cabinet

**The Leader of the Council has agreed that this item be considered as a matter of urgency in order to comply the grant scheme's timescales.**

## 1. Executive Summary

- 1.1 We have submitted bids for funding from Decarbonisation Grant for work on the District Council House (DCH) and The Pavilion, Beacon Park to improve our carbon footprint and to support our corporate priority of contributing towards climate change. If approved the grant is likely to be paid using section 31 of the Local Government Act 2003.
- 1.2 Salix Finance Ltd. provides Government funding to the public sector to improve energy efficiency, reduce carbon emissions and lower energy bills. Salix is a non-departmental public body, owned wholly by Government. The funding is provided by the Department for Business, Energy and Industrial Strategy and to boost thinking about our environment, our economy and the future of our planet.
- 1.3 We have today (4 February 2021) received notification indicating that we have been successful in our bid subject to the completion of forms with a deadline of receiving the funds by 31 March 2021.
- 1.4 This report is to brief Cabinet of the impending award and its payment using section 31 and to request that approval be given that we accept the grant (when it arrives) and the payment under section 31 to allow us to continue to meet our pledge of decarbonisation.

## 2. Recommendations

- 2.1 That we accept the grant award of £262,558 and payment via section 31 for the purpose of Decarbonisation of DCH and The Pavillion, and that Cabinet accept that at the time of writing this report that we have not received an official offer of the grant. This will occur when the acceptance of payment by section 31 has been confirmed to Salix.
- 2.2 The Cabinet delegate authority to the Head of Finance and Procurement (Section 151 Officer) to complete and sign all agreements related to acceptance of any grant award.
- 2.3 Cabinet recommend to Council that the Medium Term Financial Strategy (including the Capital Programme, relevant Prudential Indicators and Balance Sheet Projections) be updated following the acceptance of any grant offer to include a new project that will be funded by the grant award of £262,558.

## 3. Background

Lichfield District Council are committed to reducing their carbon footprint and have introduced a council wide Carbon Management Group and set a corporate priority of making a positive impact on climate change. The

Carbon Management Group will focus on generating the necessary actions to provide data and plans to reduce the council's carbon footprint, from adding carbon requirement clauses to reports, leases and contracts to looking at their vehicles and encouraging their employees and residents to reduce the carbon they generate. The Association for Public Service Excellence has been appointed to establish the Council's current carbon footprint. Following the completion of this work, the council will prepare its policy framework aimed at achieving zero carbon or net-zero by 2040.

On 2 October 2020 the Department for Business, Energy and Industrial Strategy (BEIS) launched the Public Sector Decarbonisation Scheme (The Grant Scheme). The Grant Scheme will be delivered by Salix Finance and will allocate £1bn of grant funding which strongly aligns with the BEIS' mission and priorities: fighting coronavirus, backing business, unleashing innovation and tackling climate change. The Grant Scheme encourages green investment aligning with the Government's Net Zero and clean growth goals.

The Grant Scheme is available for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings including central government departments.

The Grant Scheme will:

- Deliver stimulus to the energy efficiency and low carbon heat sectors, supporting jobs
- Deliver significant carbon savings in the public sector.

The Grant Scheme allows Public Sector Bodies to apply for a grant to finance up to 100% of the costs of capital energy saving projects that meet the scheme criteria. This funding is non repayable.

Work has to be commenced before March 2021 and evidence will be required to prove this has happened. The grant will be awarded with the understanding that the work will be completed by September 2021.

On 9 November 2020 bids were submitted DCH and The Pavilion as one bid to a value of £305,088, following technical review it was reduced to £262,558.

A separate bid of £50,000 was also made from the Decarbonisation Skills fund. To date no feedback has been given about if this amount has been awarded.

Following successful assessment, confirmation of the grant funding will be sent to the successful applicants in writing from Salix by way of a Grant Offer Letter via email. A copy of this letter must be signed by the public body's authorising official and returned to Salix within ten working days. The offer letter will be sent following receipt of confirmation payment can be paid using section 31. The grant will be paid in full at the start of the project.

Alternative Options	<ol style="list-style-type: none"> <li>1. Do nothing – not applicable – we have pledged to combat climate change.</li> <li>2. Accept the funding and begin our journey of having carbon neutral buildings and assets.</li> <li>3. Fund the project with LDC capital funds, these are required for other projects such as the outcomes the Fire Assessment Project.</li> </ol>
Consultation	<ol style="list-style-type: none"> <li>1. Insert consultation undertaken with local ward members, task groups, overview and scrutiny committees, the community, service users and stakeholders.</li> </ol>
Financial Implications	<ol style="list-style-type: none"> <li>1. The Capital Programme will need to be updated to include a new project and grant funding.</li> </ol>

	2. This update will necessitate updates to all relevant Prudential Indicators and Balance Sheet Projections.
Contribution to the Delivery of the Strategic Plan	<p>1. By reducing our Carbon footprint we will be contributing to our strategic aim to - <b>Shape place to</b> -</p> <ul style="list-style-type: none"> <li>• keep it clean, green and safe</li> <li>• preserve the characteristics</li> <li>• make sure sustainability and infrastructure needs are balanced</li> </ul>
Equality, Diversity and Human Rights Implications	1. It is not foreseen that the recommendations will have any implications for equality, diversity and human rights at this stage. These would be fully considered in the detailed assessment.
Crime & Safety Issues	1. It is not foreseen that the recommendations to accept the grant will impact on our duty to prevent crime and disorder within the District (Section 17 of the Crime and Disorder Act, 1988).
Environmental Impact	1. The works as a result of the grant funding will have a positive impact on the environment by reducing our carbon footprint.
GDPR/Privacy Impact Assessment	1. There is no perceived negative GDPR/Privacy Impact Assessment implications.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Improvements not approved would be a detriment to complying with new requirements to work towards net or zero carbon.	Gain approval from Members which will allow the council to start its journey to carbon neutral or zero carbon.	Green (Likelihood – low; Impact – medium)
B	There are unforeseen building issues which would require funding from LDC budgets	<p>All prices used in the bid are from contractors which have been through a tender regime. Any prices deemed to be too expensive will be reviewed.</p> <p>To mitigate this we have included a contingency of 10% of the budget.</p>	Green (Likelihood – low; Impact – medium)
C	Due to issues with Covid restrictions or Brexit project delayed and not able to complete by September 2021.	At the moment there is no indication that Covid or Brexit issues will affect the project. If anything did occur a case would be prepared and reported to Salix for an extension of time to 31 March 22.	Green (Likelihood – low; Impact – medium)
D			
E			

Background documents

Relevant web links