



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5 day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

17/02/2021, Public Sector Decarbonisation Grant funding for energy improvements to Local Authority assets. Decision to: --

Authorise the Executive Director for Environment, Economy and Resources in consultation with The Leader of the Council to accept the grant funding in principle on behalf of the Council.

Delegate to the Executive Director for Environment, Economy and Resources in consultation with the Leader of the Council, the authority to accept the final grant offer and deal with all matters arising from and ancillary to the above including negotiation with the funder, implementation and award of resultant contracts and works.

Delegates to the Assistant Director Law, Governance and Assets the responsibility to execute all documentation arising.

2. Subject and details of the matter (to include reasons for the decision)

Grant funding of around £2.9 million pounds from the Department for Business, Energy and Industrial Strategy (BEIS) as managed by Salix, was accepted by NELC in February 2021. The purpose of the funding was to improve energy efficiency in 5 NELC owned non-domestic buildings and Beacon Academy, including design, engineering, construction and project management cost. Detailed feasibility studies and return of tender documents have identified a number of areas where work

included in the initial grant application is either no longer recommended due to technical barriers, ability to deliver work within time scales provided in the grant condition or financial barriers where tenders have been returned with prices exceeding original estimated.

3. Decision being taken

To utilise the flexibility of the Salix grant conditions to re-profile energy improvement works between sites to deliver as good carbon reduction as possible, with the grant funding available by removing the least favourable carbon saving measures from the work programme as well as work which may be difficult to complete within the time scales provided by the grant conditions.

This would result in a complete transfer to green heating system at the Innovation Centre, but non completion of other items originally planned such as works at Cleethorpes Business Centre, works at Cleethorpes Library and a small heat pump for 3rd floor of the Municipal Offices.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

Yes, to allow award of contract within time scales to make the project deliverable.

5. Anticipated outcome(s)/benefits

Ability to utilise grant funding available to achieve as much of a carbon reduction as possible, without the Local Authority incurring additional cost of work.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

1) **No change to the work programme-** To continue to deliver the originally planned work programme would result in an overspend of around £272,000 due to increased cost of work following tender process.

2) **Remove the least favourable carbon saving measures from the work programme-** By removing the items with least carbon saving impact the potential overspend following tender would reduce to around £123,000. This would remove

improvements to storage heaters at Cleethorpes Business Centre and a small heat pump for 3rd floor of the Municipal Offices.

3) Remove the least favourable carbon saving measures from the work programme as well as items not providing building energy efficiency savings-

This would reduce the overspend to around £55,000. This would remove improvements to storage heaters at Cleethorpes Business Centre, a small heat pump for 3rd floor of the Municipal Offices and the planned car charging solar canopy at the Innovation Centre.

4). Remove the least favourable carbon saving measures from the work programme as well as work which may be difficult to complete within the grant condition deadline (RECOMMENDED)-

By removing the items with least carbon saving impact, as well as items which may be difficult to deliver due to challenging grant time scales, the project would be re-profiled to focus on fewer sites to deliver a similar carbon saving to the original application within the original budget. This would result in a complete transfer to green heating system at the Innovation Centre, but non completion of other items originally planned such as works at Cleethorpes Business Centre, works at Cleethorpes Library and a small heat pump for 3rd floor of the Municipal Offices. This option has been assessed using the Salix Grant Compliance tool to ensure it still is able to deliver a good carbon reduction for every pound spent.

7. Background documents considered (web links to be included and copies of documents provided for publishing)

Cabinet Report

<https://democracy.nelincs.gov.uk/wp-content/uploads/2021/02/5.-Public-Sector-Decarbonisation-Grant-funding-for-Energy-Improvements-to-Local-Authority-assets.pdf>

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision is consistent with the Cabinet decision and delegations dated 17th February 2021. Legal Services will provide support to ensure the works remain within the grant funding parameters and that any contract terms and conditions protect the Council's position.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The recommended option will help ensure that the costs will be covered through external grant without any additional liability on the Council.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications

13. Risk Assessment (in accordance with the Report Writing Guide)

There is a reputational risk to the Council should we be seen to not be able to deliver energy improvement works, leading to a requirement to return grant funding.

14. Has the Cabinet Tracker been updated with details of this decision?

Yes

15. Decision Maker(s):

Name: Sharon Wroot

Title: Director of Environment,
Economy and Governance

Signed: REDACTED

Dated: 16th June 2021

16. Consultation carried out with Portfolio Holder(s):

Name: Cllr Phillip Jackson

Title: Leader

Signed: REDACTED

Dated: 16 June 2021

17. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name: Councillor Tom Furneaux

Title: Chair of Economy Scrutiny Panel

Signed: Approved via email

Dated: 16th June 2021

Key Decisions are defined in the Constitution as:

A decision (whether taken collectively or individually by members) which is likely:

- (i) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.

A decision will be considered financially significant if:

- (i) in the case of revenue expenditure, it results in the incurring of expenditure or making savings of £350,000 or greater;
- (ii) in the case of capital expenditure, the capital expenditure/savings are in excess of £350,000 or 20% of the total project cost, whichever is the greater

In determining whether a decision is significant in terms of its effect on an area comprising two or more wards, consideration shall be given to:

- (i) the number of residents/service users that will be affected in the wards concerned;
- (ii) the likely views of those affected (i.e. is the decision likely to result in substantial public interest)
- (iii) whether the decision may incur a significant social, economic or environmental risk.

APPENDIX 1 – EMAIL APPROVAL

From: Cllr Tom Furneaux (NELC) <Tom.Furneaux@nelincs.gov.uk>

Sent: 16 June 2021 12:39

To: Carolina Borgstrom (NELC) <Carolina.Borgstrom@nelincs.gov.uk>

Cc: Democracy <Democracy@nelincs.gov.uk>

Subject: Re: URGENT: Request for approval of ODR as an Urgent Decision

Afternoon Carolina

I can confirm that this is approved

Kind Regards

Cllr Furneaux

From: Carolina Borgstrom (NELC) <Carolina.Borgstrom@nelincs.gov.uk>

Sent: Wednesday, June 16, 2021 12:34 pm

To: Cllr Tom Furneaux (NELC)

Cc: Democracy

Subject: URGENT: Request for approval of ODR as an Urgent Decision

Dear Cllr Furneaux,

In your capacity as chair of Economy Scrutiny, could you please confirm your approval of the two enclosed ODRs to be considered as urgent and therefore exempted from call in. The decision has already been approved by Cllr Jackson as the portfolio holder and Sharon Wroot, Director of Environment, Economy and Resources.

As you may be aware, as part of our local climate ambitions we have embarked on an ambitious programme of building improvements. We were fortunate to secure 100% grant award in February 2021 for £2.9 million work to our public buildings.

We are now at the stage where most procurement is complete. This has revealed a large increase in cost for some common energy improvement measures such as heat pumps and solar installations. Advice from our regeneration partner, supported

by industry bodies is that this is unfortunately a national trend due to high demand and slow recovery of some supply chains post Covid.

We cannot delay works until the market recovers as grant requirement is completion by September 2021. Instead our options are to either supplement cost out of Council Capital, or re-profile the work to achieve as much as we can within the grant amount awarded. Enclosed ODR explaining the reason behind the required changes and sets out a decision to re-profile work in a way that would not cause any additional pressure on the already stretched capital programme.

To ensure we can award contracts swiftly to deliver these works before end of September we will need to take a decision quickly on the direction, hence the urgency.

If you require any further information, please let me know,

Kind Regards,

Carolina Borgstrom, Assistant Director, Environment

North East Lincolnshire Council

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