



## 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

Approval was granted by Cabinet on the 19th of January 2022.

Report Title: Green Homes Grant funding Bid, Local Authority Delivery Scheme Phase 3 and Homes Upgrade Grant 1

Cabinet approved the following recommendation:

It is recommended that Cabinet:

1. Authorises the Executive Director for Environment, Economy and Resources in consultation with The Leader of the Council to accept the grant funding on behalf of the Council.
2. Delegates to the Executive Director for Environment, Economy and Resources in consultation with the Leader of the Council, the authority to deal with all matters arising from and ancillary to the above including negotiation with the funder, implementation and award of resultant contracts and works.
3. Delegates to the Assistant Director Law, Governance and Assets the responsibility to execute all documentation arising.

The decision was to accept funding from Midlands Energy Hub (MEH). The grant funding of £1,094,500 will be prioritised and used to improve energy efficiency in approximately 75 - 100 homes, for those residents, who currently live-in fuel poverty and experience lower household incomes. Improvement works to the properties may

be targeted at low carbon and insulation measures. The proposal supports the Council's "Climate Local" ambitions.

<https://democracy.nelincs.gov.uk/wp-content/uploads/2021/05/Decision-Notice-19th-January-2022.pdf>

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

Background:

2.1 In July 2020, the Chancellor announced £2 billion of support through the Green Homes Grant (GHG). The GHG set aside £500m of support to be allocated to Local Authority (LA) delivery partners, through the Local Authority Delivery (LAD) scheme. The GHG LAD scheme aims to improve the worst-quality homes in England by installing Eligible Measures, to households living in fuel poverty with an Energy Performance Certificate (EPC) of E and below, to eligible households on a low income. The scheme also aims to contribute towards phasing out the installation of high carbon fossil fuel heating, through decarbonisation, supporting the Governments commitment to net zero by 2050.

2.2 An initial competition (Phase 1A) was launched in August 2020 whereby Department for Business, Energy, and Industrial Strategy (BEIS) allocated £76m of funding to 57 Council projects. The Midlands Energy Hub (MEH) are already in receipt of £59.95m of LAD funding as part of Phase 2.

2.3 North East Lincolnshire Council were successful in receiving £850,000 of funding as part of LAD 2 funding, with MEH confirming LAD 3 grant of £1,094,500 has been allocated. The LAD 3 funding will be eligible to be used from 1st April 2022 up to 31<sup>st</sup> March 2023.

2.4 Qualifying owner occupiers can receive up to £10,000 in grant funding (those with a combined income of less than £30,000). Eligible owners may be able to access grant or loan funding through the Housing Assistance and Disabled Adaptations Policy (HADAP).

2.5 Social and Private Landlords must contribute 1/3 to the cost of upgrades, with the average subsidy cost of £5,000 per property. Eligible Landlords can access energy repayment loans through the Councils HADAP, to help fund any shortfall.

2.6 LAD funding can be blended with other grant and loan schemes within the HADAP, for example, grants, energy efficiency or Home Appreciation Loans, detailed in the current NEL's HADAP. This may include the replacement of electric storage heaters, boilers or installing first time Central Heating with renewable energy systems, like Air Source Heat Pump (ASHP).

2.7 The proposal will target neighbourhoods with the highest number of properties, with solid wall construction, the highest level of fuel poverty and the lower income households. If insufficient households sign up for the scheme within these designated areas, neighbourhoods with similar fuel poverty and properties of solid brick construction will then be prioritised.

2.8 Eligible households must have an Energy performance Certificate (EPC) Band rating of D, E, F, or G, and have the potential to improve towards an EPC rating of Band C or above.

2.9 Procurement – It is intended that LAD 3 will be procured using the MEH Dynamic Purchasing System (DPS), which is the same model which was used to procure and deliver the LAD 2 scheme.

2.10 A tender exercise has been undertaken for the delivery of the Green Homes Grant Funding Bid Phase 3 and HUG 1, now renamed the Sustainable Warmth Grant, using the Midlands Energy Hub Framework Agreement. By using the framework, we are able to access contractors who have been pre-vetted as part of the framework process.

2.11 The tender evaluation report has been accepted by the Assistant Director for Housing, Highways, Transportation & Planning, Environment, Economy & Resources.

2.12 The successful tender based on quality and price was submitted for the sum of £1,040,775 by Yorkshire Energy Services CIC.

2.13 Approval to award the contract from the framework agreement to undertake the necessary works to between 75-100 properties. The value of the contract is £1,040,775 and works need to be completed before March 2023

### 3. Decision being taken

Award of contract to Yorkshire Energy Solutions CIC to undertake energy efficiency schemes in eligible households across North East Lincolnshire.

### 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.

No. The project is required to be completed by 31<sup>st</sup> March 2023, so an early decision on this ODR will; prevent an unnecessary delay with awarding the contract.

### 5. Anticipated outcome(s)/benefits

The contract is awarded to Yorkshire Energy Solutions CIC to undertake energy efficiency schemes across the Borough.

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

6.1 Do Nothing – To do nothing would mean that properties would stay in fuel poverty.

6.2 Use North East Lincolnshire Council Funding - NELC could use capital funding to external insulation, to support regeneration and provide a 'whole house' approach to delivering energy efficiency. Due to limited funding available and this schemes criterion would not qualify under the existing housing assistance policy.

6.3 Accept the Funding This is the preferred option, delivering the scheme outlined in the report. This is the preferred option as other funded schemes, do not provide the same level of support for low-income families and external wall insulation and renewable technology

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

Cabinet Report : Green Homes Grant funding Bid, Local Authority Delivery Scheme Phase 3 and Homes Upgrade Grant 1

**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)**

No conflicts of interest have been identified.

**10. Monitoring Officer Comments (Monitoring Officer or nominee)**

The decision to award is consistent with the Cabinet decision and delegations. The procurement exercise has been conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers. Legal Services will support the completion of the contractual documentation on award.

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

The procurement exercise undertaken provides assurance that the Council will achieve best value for the energy efficiency schemes required. As indicated, the schemes will be funded from the grant awarded.

**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)**

The Council has identified that high energy costs will impact most on vulnerable households. This scheme aims to support 75 - 100 households most at risk of high bills as a result of their poor energy efficiency rating. There is a risk that we will not get the anticipated take up to enable full spend of the £1,094,500 and any unspent money will have to be returned to MEH after 31st March 2023.

There is a real opportunity to significantly improve the energy efficiency of some of the most poorly insulated properties across the borough thereby giving long term expenditure savings to vulnerable households.

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

N/A

**15. Decision Maker(s):**

Name: Sharon Wroot

Title: Executive Director Environment,  
Economy and Resources

Signed: REDACTED

Dated: 25<sup>th</sup> July 2022

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

Name: Cllr Philip Jackson

Title: PFH for Economy, Net Zero,  
Skills and Housing.

Signed: REDACTED

Dated: 25<sup>th</sup> July 2022

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

Name:

Title:

Signed:

Dated: