

REPORT TO	DATE
Executive Member Decision	01/12/20



TITLE	PORTFOLIO	REPORT OF
Urgent Decision Under Section 35 of the Council's Constitution: Public Sector Decarbonisation Scheme Grant Bid Application	Environment	Director of Neighbourhoods and Development

Is this report a key decision? (i.e. more than £100,000 or a significant impact on more than 2 Borough wards)	Yes
Is this report confidential?	No

PURPOSE OF THE REPORT

1. To seek approval to engage a consultant to assist with a grant application to secure funding to undertake a decarbonisation plan of the Council's assets and to assist with the submission of a further bid to secure funding to decarbonise to the Council's heating systems.
2. An application for a waiver of Contract procedure rules will be sought via our electronic system.

RECOMMENDATIONS

3. That authority be given to employ a consultant to assist with a grant application bid to secure funding to develop a decarbonisation plan and second bid application to secure funding to decarbonise the Council's heating systems at Civic Centre, Moss Side Depot, five leisure centres and potentially other assets the Council own.

REASONS FOR THE DECISION

4. The Council does not have the expertise inhouse to develop the Public Sector Decarbonisation Scheme (PSDS) funding bid and requires external consultants to assist. The funding for this can be obtained through the Low Carbon Skills Fund (LCSF) along with funding to undertake a decarbonisation plan of the Council assets.

5. The bid will help to secure significant funding for building improvements across the Council's estate, secure carbon and energy savings and helping to achieve the Council's objective of net zero carbon emissions by 2030.
6. Time scales for the bids are short, 4th December 2020 for the LCSF and 11th January for the PSDS. The Council does not therefore have time to undertake a full procurement process to choose the consultants.

CORPORATE OUTCOMES

7. The report relates to the following corporate outcomes:

Excellence, Investment and Financial Sustainability	✓
Health, Wellbeing and Leisure	✓
Place, Homes and Environment	✓

Projects relating to People in the Corporate Plan:

Our People and Communities	
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BACKGROUND TO THE REPORT

8. The Government, Department of Business, Energy and Industrial Strategy (BEIS) have launched a £1billion grant scheme to assist with the decarbonisation of public sector heating. The grant will cover up to 100% of the costs of capital energy-saving projects meeting the scheme criteria.
9. Unfortunately, the timescales are very short for applying for this funding, but the Council wishes to submit an application. If successful the allocated budget would help to improve the energy efficiency of our buildings, save money, reduce the Council's carbon footprint in line with the Council's commitment to make South Ribble net-zero carbon emissions by 2030 and provide an example to the borough of what can be achieved.
10. The Public Sector Decarbonisation Scheme (PSDS) has been launched by the BEIS with the aim of tackling climate change and supporting the growth of jobs in the renewals market.
11. The scheme consists of a fund of £1 billion to aim public sector organisation decarbonise their heating and improving the insulation of their buildings.
12. The scheme has two funding streams. The first is the Low Carbon Skills Fund (LCSF). This element of the fund allows for Public Sector bodies to apply for

funding in order to engage with consultants to help produce a scheme in order to apply for the second funding stream. The deadline for this application is the 4th December 2020. If successful, the LCSF provides 100% funding.

- 13.** The second funding stream is for the PSDS itself, this needs to be submitted by 11th January 2021. It is anticipated that any successful bids for the first funding stream will apply for funding under the second. The PSDS is an opportunity for public sector bodies to apply for the funding to implement decarbonisation schemes, for example ground source heat pumps, additional insulation. It is also identified that a decarbonisation plan is required, and this will also form part of the bid. The funding provides up to 100% costs, depending upon the carbon savings that will be achieved.
- 14.** A decarbonisation plan is a review of all assets to determine what measures are required and how much it will cost to implement them to decarbonise the asset. It is envisaged that this work will provide information to allow the council to develop regeneration projects across all its assets to reduce its carbon footprint. It will also provide information to allow future bids to be made.
- 15.** Four contractors have currently been contacted who could undertake the work, one is currently employed to assist local energy northwest offering advice to local authorities and is unable to assist. One is unable to assist at this time and another has been unable to provide terms and conditions, but wishes to tie the Council into a contract for the full amount prior to any funding being received with a minimum payment of £2,500. A best value assessment has therefore been undertaken.
- 16.** The final contractor, and now the one of choice, will charge £750.00 to assist in the submission of the Low Carbon Skills Fund. Once secure work on the PSDS bid will commence and this will be charged at £950.00 for the application, plus £1,900.00 per technology per site identified. This is anticipated to be around the £95,000 region at this time but further meetings are planned to finalise this figure.
- 17.** The Council will be liable to £750.00 to submit the first Low Carbon Skills Fund bid. Future work will be subject to the successful award of this bid, ~£95,000 which will fund work to submit a second bid in early January for the Public Sector Decarbonisation Scheme fund. If successful the Council could obtain up to around £4,000,000 of funding to improve the buildings.
- 18.** With the exception of the £750.00 the funding for the above will come from the Low Carbon Skills Fund, if the Council should be unsuccessful then the further work for the PSDS fund bid will not progress as planned.
- 19.** Given the short timescales involved we do not have the opportunity to run through our normal approval processes.
- 20.** The consultant will compile data required on the buildings identified, including size, energy consumption and heating utilities, identify potential technologies to decarbonise the buildings and improve efficiency, and prepare the application for

the Low Carbon Skills Fund. On successful receipt of the LCSF funding bid he will prepare a detailed bid for the PSDS funding by the 11th January 2021, and produce a decarbonisation plan for the full list of council assets by September 2021.

21. If successful, the Council will have to move directly to the submission of the PSDS application. It is envisaged that the same consultant would be utilised for this process given the strict timescales for the application. This would result in the full grant funding being allocated to the consultants without any additional procurement activities being undertaken.

22. Permission is therefore sought to proceed on this basis.

PROPOSALS (e.g. rationale, detail, finance, procurement)

23. That authority is given to proceed as suggested.

24. That authority is given to progress an application for the Low Carbon Skills Fund for approximately £95,000 and that if this funding is successful for the same contractor to develop a Public Sector Decarbonisation Scheme bid, with a view to sourcing additional funding to decarbonize the main Council assets including the Civic Centre, Moss Side Depot and five Leisure Centres.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

25. A number of consultants capable of undertaking the necessary work in the given timescales has been contacted and a best value assessment of their proposals undertaken. The main aim of minimising any potential financial impact on the Council.

ALTERNATIVE OPTIONS CONSIDERED

26. That the Council does not apply for any funding and thus will not benefit from the available grants. The work will still need to be undertaken at some point in the near future, especially if the Council wish to achieve its target of net zero carbon emissions by 2030.

AIR QUALITY IMPLICATIONS

27. No direct impacts from this report, however if successful the grant awarded will help to decarbonise the Council's heating systems and lower pollutant emissions, thus improving air quality.

RISK MANAGEMENT IMPLICATIONS

28. The process has been developed and has been reviewed by Audit at every stage so that measures are in place to ensure fraudulent activity is minimised.

EQUALITY & DIVERSITY IMPACT

29. None, the scheme is open to the public sector only.

COMMENTS OF THE STATUTORY FINANCE OFFICER

30. A total value of approximately £95,000.00 will be spent, of this only £750.00 will be from the Council's current budget the remaining through the initial grant funding.

COMMENTS OF THE MONITORING OFFICER

31. There will be a need to obtain a formal waiver of CPRs via our electronic system. Subject to this there are no concerns.

BACKGROUND DOCUMENTS

None

APPENDICES TO THIS REPORT

None

Jennifer Mullin
Director Neighbourhoods and Development

Report Author:	Telephone:	Date:
Jennifer Mullin	01772 625329	18 th November 2020

Approval of Urgent Decision

I confirm that I consider this decision is one of genuine urgency in accordance with section the Council's constitution:



Councillor David Howarth
Chair of the Scrutiny Committee

Dated: 03/12/2020

Following careful consideration and assessment of the contents of the report, I approve the recommendations contained in the report in accordance with delegated powers in the Council's constitution:

Signed electronically – Cllr Sue Jones

Councillor Susan Jones
Cabinet Member for the Environment

Dated: 03/12/2020