



## RECORD OF CABINET PORTFOLIO HOLDER DECISION

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

<b>Decision Ref. No.</b>	PH042
<b>Decision made by</b>	Councillor Alison Freer Portfolio Holder for Climate Change and Engagement
<b>Decision Title</b>	MEH Sustainable Warmth Bid (LAD3)
<b>Key decision?</b>	Yes
<b>Date of decision (same as date form signed)</b>	30 July 2021
<b>Name and job title of Officer requesting the decision</b>	Pranali Parikh Director for Growth and Regeneration
<b>Officer contact details</b>	pparikh@melton.gov.uk
<b>Decision</b>	<ol style="list-style-type: none"><li>1. To approve and support the regional bid;</li><li>2. To authorise the Council to submit a proposal for the allocation of £550,000 for Melton;</li><li>3. To approve the procurement of a feasibility study to confirm capacity requirements to deliver the project within the prescribed timeframes;</li><li>4. To accept and receive the grant upon conclusion of an acceptable feasibility study and confirmation that the council's proposals have been accepted by funding body.;</li><li>5. Authority for Director for Growth and Regeneration to procure and appoint contractors to deliver the project within the prescribed timeframes</li><li>6. Authority for the Director for Growth and Regeneration or other authorised person to sign the grant agreement for allocation of funding</li></ol>
<b>Background</b>	The Sustainable Warmth Competition is a single application for the third phase of Local Authority Delivery (LAD) as well as the new Home Upgrade Grant (HUG). Only local authorities or Local Energy Hubs can apply for the Sustainable Warmth Competition, which aims to distribute funding for councils to improve domestic energy efficiency for fuel poor households. This project will be <b>focused on private sector housing</b> .

The latest phase of the funding was launched on 16th June as a competition. The MEH are planning to submit a regional bid for the Sustainable Warmth Competition to access funding (£350m available across England) as part of Phase 3 of the LAD and HUG (Home Upgrade Grant) which will run from January 2022 to March 2023. A regional submission is being submitted by the Midlands Energy Hub as the Lead Authority offers an opportunity for all LA's in the region to access funding to support thousands of fuel poor households.

The current delivery model developed and implemented through Phase 2 offers an effective route for the delivery of LAD3 and HUG1 across the Midlands.

Planned delivery for the Sustainable Warmth Competition is intended to mirror and build on Phase 2. The allocation is calculated to reflect the number and proportion of EPC Band E, F and G properties within a Local Authority, following the same process of Phase 2.

To support LAD phase 3, MEH intend to continue with the services procured for LAD2 to assist with the customer journey and implementation. The service support local authorities and inform citizens of the process as well as providing a single point of contact and support. The service will check household eligibility, answer questions on the scheme and energy efficiency measures, register any complaints as well as provide additional support to help tackle fuel poverty i.e. income maximisation and tariff switching.

By 30<sup>th</sup> July we need to:

- Acknowledge our support for the regional bid and confirm our interest in the allocation below (table 1).
- State if we have capacity to deliver additional measures within the timeframes - we do not have additional capacity.
- Inform MEH if we are intending to submit our own bid to BEIS - we do not intend to.

**Reason for Decision/Main Considerations**

The Midlands Energy Hub (MEH) is planning to submit a regional bid for the Sustainable Warmth Competition to access funding as part of Phase 3 of the Local Authority Delivery (LAD) and HUG (Home Upgrade Grant) which will run from January 2022 to March 2023.

Notice of intention for MEH to bid was received on 20 July 2021 and deadline given to acknowledge, support and confirm interest is 30 July 2021 which provides insufficient time to provide notice.

TABLE 1: Indicative Allocation for MBC

Local Authority	HUG		LAD		Total
	Capital	Admin	Capital	Admin	
Melton	£270,000	£27,000	£230,000	£23,000	£550,000

**Local Authority Delivery Phase 3 (LAD3)**

	<p>This new funding is available for projects delivering upgrades to low-income households in the most energy inefficient homes in England that are on the gas grid. Therefore almost 25% of homes in Melton, we will need to focus on the eligible applicants.</p> <p><b>The Home Upgrade Grant Phase 1 (HUG1)</b></p> <p>This funding has been committed to support low-income households by upgrading the most energy inefficient <b>off gas grid homes</b> in England. Targeted funding will support the installation of multiple measures in these homes, which can face higher upgrade costs, to substantially improve their energy performance. More than 1/3 of our village are off the gas network. Again we will need to focus on the eligible occupiers.</p> <p>This project will benefit low income private sector occupiers, particularly of gas, in a way that Melton Borough Council has been unable to do before.</p>
<p><b>Alternative options rejected</b></p>	<p>Not to proceed with the process- this option is rejected because it will mean not accepting £550,000 of grant money to improve energy efficiency in low income private sector housing.</p>
<p><b>Legal implications</b></p> <p>Officer/Date provided:</p>	<p>The Council has the power to receive grants.</p> <p>As this Key Decision was not published on the Forward Plan, a General Exception Notice has been published and agreed by the Chair of the Scrutiny Committee in accordance with the Access to Information Procedure Rules.</p> <p>The Council will act as the accountable body for the Scheme on the terms of provided. The Council will need to sign appropriate documentation (e.g. Grant agreement, MoU, Data Sharing Agreement, Privacy Notice etc.).</p> <p>The conditions of the grant will need to be complied with and monitored because there is a risk of clawback in the event of non-compliance with the terms and conditions set out in any agreement entered into between the Council and the Funding Body. Strict monitoring of compliance will need to take place to minimise this risk.</p>
<p><b>Financial implications</b></p> <p>Officer/Date provided:</p>	<p>Further to table 1 above: MBC will receive £550,000 following approval of final application which is dependant on the outcome of the feasibility study and MBC signing grant agreement</p> <p>Of this £50,000 is for administration of the project which may be utilised for the feasibility study. This may be received soon after signing the document</p> <p>There is no match funding requirement for this funding.</p> <p>Fully funded capital schemes can be approved by Cabinet under financial procedure We will have to pay back any funds not spent during the project, but we should be able to retain the administration funds if they</p>

	<p>have been fully utilised.</p> <p>The feasibility costs and administrative costs can be met from the grant and these costs will be assessed and charged as appropriate to revenue or capital depending on this assessment the remaining spend this will be treated as capital funding and included in the Councils capital programme.</p>			
<b>Other implications</b>	Recruitment of a climate change officer will support this work.			
<b>Background papers considered</b>	<a href="https://publishing.service.gov.uk">Sustainable Warmth Competition: guidance for local authorities (publishing.service.gov.uk)</a>			
<b>List consultees (Where applicable)</b>		<b>Name</b>	<b>Outcome</b>	<b>Date</b>
	Ward Councillors			
	Human Resources			
	Equalities			
	Communications			
<b>Confidential Decision?</b>	No			
<b>Call In Waived by Scrutiny Committee Chair? (Under urgency Procedures)</b>	Agreed with Chair of Scrutiny on 22 July 2021			
<b>Has this been discussed by Cabinet Members?</b>	No			
<b>Cabinet Portfolio Holder Signature</b>	Councillor Alison Freer Portfolio Holder for Climate Change and Engagement			
<b>Declarations/conflict of interest?</b>				

**ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.**

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Form Received	30 July 2021	
Date published to all Councillors	30 July 2021	
Call In Deadline	N/A	