

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 04 July 2023

TITLE	Low Carbon Skills Fund, Phase 4 grant funding													
Ward(s)	Citywide													
Author: Helen Reed	Job title: City Leap Client Function Lead													
Cabinet lead: Cllr Kye Dudd - Cabinet Member for Climate, Ecology, Energy and Waste	Executive Director lead: John Smith, Interim Executive Director Growth and Regeneration													
Proposal origin: BCC Staff														
Decision maker: Cabinet Member Decision forum: Cabinet														
Purpose of Report:														
<ol style="list-style-type: none"> To seek approval to accept and spend Phase 4 Low Carbon Skills Fund grant funding totalling £890k for the development of heat decarbonisation plans and detailed designs in the council's corporate estate and schools in order to support the Mayor's Climate Emergency Action Plan and the Corporate Strategy, if the LCSF4 bid is successful. 														
Evidence Base:														
<ol style="list-style-type: none"> The Low Carbon Skills Fund (LCSF) is the main scheme from central government to support the development of projects that decarbonise heat in the public sector. The Department for Energy Security and Net Zero has made available up to £17m of funding for Phase 4. The scheme offers 100% grant funding for the development of heat decarbonisation plans, or the progression of heat decarbonisation plans into detailed design. The scheme presents no match-funding conditions on the part of council. In April 2023, the council, in partnership with Bristol City Leap, submitted a bid for funding using authority granted by a joint decision of the Executive Director for Growth and Regeneration, the S151 Officer, and the Deputy Mayor – Cabinet Member for Finance, Governance and Performance under the Exceptional Approval Process. Three bids were submitted in total as follows: <table border="1" data-bbox="199 1496 1396 1966"> <thead> <tr> <th>Bid Title</th> <th>Submission</th> <th>Value of the bid</th> </tr> </thead> <tbody> <tr> <td>BCC Schools HDP</td> <td>17 schools to create heat decarbonisation plans</td> <td>£85,000</td> </tr> <tr> <td>BCC Corporate Decarbonisation Programme - Package 1 - Detailed Design</td> <td>7 properties within the Corporate Estate priority list with heat decarbonisation plans, to be developed to detailed design</td> <td>£245,000</td> </tr> <tr> <td>BCC - Top Consumers HDP and Detailed Design</td> <td>The top 27 Corporate Estate priority properties to create heat decarbonisation plans and detailed designs</td> <td>£560,000</td> </tr> </tbody> </table> The grant bid was split in this way to maximise chances of being successful in the grant funding scheme, as there were three separate grant funding pots – Small (34% of £17m available for projects <£100k), Medium 			Bid Title	Submission	Value of the bid	BCC Schools HDP	17 schools to create heat decarbonisation plans	£85,000	BCC Corporate Decarbonisation Programme - Package 1 - Detailed Design	7 properties within the Corporate Estate priority list with heat decarbonisation plans, to be developed to detailed design	£245,000	BCC - Top Consumers HDP and Detailed Design	The top 27 Corporate Estate priority properties to create heat decarbonisation plans and detailed designs	£560,000
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(38% of £17m available for projects £100k - £500k), and Large (28% of £17m available for projects £500k - £1m). This approach was agreed by the Property Services City Leap Working Group and approved as part of the consultations for the exceptional approval to submit the bids.

4. The buildings included have been identified by the Property Services City Leap Working Group, based on gas-usage data of properties within the Corporate Estate provided by the Sustainable City & Climate Change Service and the Energy Supply Team. This approach focuses on the highest carbon emitters across the BCC Corporate Estate. A list of buildings is available in the appendices. The list is not final and may change depending on the priorities of BCC, changes to the occupation or legal status of the asset, or the technical difficulties associated with the building as survey information develops.
5. The heat decarbonisation plans and detailed designs, funded by the LCSF4 scheme, will inform the development of any connected Public Sector Decarbonisation Scheme Phase 4 bid, which provides grants for public sector organisations to implement energy saving measures based on the detail of these stated plans and designs.
6. It is intended that the development of the heat decarbonisation plans (including to detailed design) funded by LCSF4 will be carried out by the council's City Leap strategic partner, Ameresco (who have been procured to deliver low carbon energy infrastructure for the council), subject to them passing the relevant project approval checks.
7. Should we be successful in our grant application, the award announcement is expected in June 2023, and it is expected that works will start from mid-July 2023.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Note the submission of three Phase 4 Low Carbon Skills Fund bids to central government for £890k on 26 April 2023 pursuant to the exceptional approval process.
2. Authorise the Executive Director for Growth and Regeneration, in consultation with the Cabinet Member for Climate, Ecology, Energy and Waste, and the Chief Finance Officer to (if the LCSF4 bid is successful):
 - (i) accept and spend and
 - (ii) enter into such grant agreements as may be required to accept and spend up to £890k of grant funding awarded to the council pursuant to phase 4 of the Low Carbon Skills Fund programme to deliver heat decarbonisation plans and detailed design as outlined in this report.
3. Authorise the Executive Director for Growth and Regeneration, in consultation with the Cabinet Member for Climate, Ecology, Energy to
 - i) finalise which properties on the council's estate will be provided with decarbonisation plans and detailed designs, in accordance with any terms of the grant funding arrangements; and ii) procure, agree and enter into any contacts required for the provision of the heat decarbonisation plans and detailed designs to be funded by the Phase 4 Low Carbon Skills Fund grant.

Corporate Strategy alignment:

1. Environment and sustainability: Decarbonise the city, support the recovery of nature and lead a just transition to a low-carbon future.
2. Economy and skills: Economic growth that builds inclusive and resilient communities, decarbonises the city and offers equity of opportunity.
3. Mayor's Climate Emergency Action Plan
4. One City Ecological Emergency Strategy

City Benefits:

1. Reduce the council's and city's carbon footprint contributing to sustainability
2. Support economic resilience and a green recovery in response to the economic impacts of Covid-19
3. Use learnings from the delivery experience to inform the development and design of further energy

- efficiency and heat schemes
4. Support local supply chain growth and job creation in the energy sector
 5. Facilitate actions by city partners and citizens to reduce their carbon footprints
 6. Deliver external funding for investment in the City.

Consultation Details:

1. Property Services City Leap Working Group
2. Headteachers of all schools included in the BCC Schools HDP bid.
3. Chief Finance Officer, Finance Business Partner, Executive Director for Growth & Regeneration, Cabinet Member for Climate, Ecology, Energy and Waste and Designated Deputy Mayor with responsibility for Finance, Governance and Performance as part of the exceptional approval process in order to seek approval to submit, noted in the Finance report of June Cabinet.

Background Documents:

1. Decision Pathway – Report, Cabinet Approval, Financial Update Report – June 2023: [Decision Pathway Report P1 v2.pdf \(bristol.gov.uk\)](https://www.bristol.gov.uk/media/2023/06/Decision-Pathway-Report-P1-v2.pdf)
2. Mayor’s Climate Emergency Action Plan Update: [CEEP Appendix A1 - Update On Mayors Climate Action Plan Final.pdf \(bristol.gov.uk\)](https://www.bristol.gov.uk/media/2023/06/CEEP-Appendix-A1-Update-On-Mayors-Climate-Action-Plan-Final.pdf)
3. Decision Pathway – Report, Cabinet Approval, Establishing the City Leap Energy Partnership: [2022 12 06 Establishing the City Leap Energy Partnership - Cabinet Report - FINAL.pdf \(bristol.gov.uk\)](https://www.bristol.gov.uk/media/2023/06/2022-12-06-Establishing-the-City-Leap-Energy-Partnership-Cabinet-Report-FINAL.pdf)
4. One City Plan (third iteration): [One City Plan 2021 \(bristolonecity.com\)](https://www.bristolonecity.com)

Revenue Cost	£890k	Source of Revenue Funding	100% LCSF Grant funding
Capital Cost	£	Source of Capital Funding	
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

In April 2023, under the Exceptional Approval Process, BCC and the City Leap Partner, submitted a bid to Salix, a public body owned wholly by the Government and administers funds on behalf of the Department for Energy Security and Net Zero.

The bid was for 100% grant funding of £0.890m as part of the Phase 4 Low Carbon Skills Fund (LCSF4) to develop plans and designs to decarbonise heating systems in BCC properties and schools, in support of the government’s climate change emergency and meeting the UK’s net zero carbon target.

If successful, this report is seeking approval to accept and spend grant funding of up to £0.890m, once the awards are announced in late June 2023. The grant funding will allow BCC to develop plans by autumn 2023, in preparation for a grant bid to seek delivery implementation funding at the next stage of the process.

Three grant bid applications were submitted across the three value ranges offered. The bids were costed and developed from prior successful LCSF bids and working with the City Leap delivery partner. BCC will validate the unit costs submitted as part of the implementation bid to demonstrate value for money (VFM).

There are no delivery risks to BCC in relation to the development costs of the plans and designs. The City Leap delivery partner will be obliged to provide the plans for fixed sums under the contract. Any cost overrun will need to be met by the partner. If the heat decarbonisation plans are not delivered, the partner would refund the grant to BCC, and it would be repaid to the grant funder. This risk is considered extremely low but will be mitigated by closely monitoring the delivery of the plans in line with the grant funding terms and conditions.

The City Leap partner will have to follow the terms of the grant funding agreement and manage the timescales to ensure plans and designs are completed and the deadline is not missed to bid for the delivery implementation grant.

The Energy Service working with Property will need to ensure the appropriate buildings are targeted and that they are suitable with regards to the Corporate Landlord Programme and any strategic property disposals.

At the next phase, the delivery of the plans and designs, this will need to follow the same Decision Pathway process, with a report to Cabinet before any delivery bid is submitted, accepted, and spent.

Finance Business Partner: Kayode Olagundoye, interim Finance Business Partner - Growth and Regeneration - 19 June 2023

2. Legal Advice: This report requests authority to accept and spend grant funding of up to £890k (applied for pursuant to the phase 4 of the Low Carbon Skills Fund programme) on heat decarbonisation plans for certain schools and buildings on the council's estate.

The council has the power to carry out these actions pursuant to section 1 of the Localism Act 2011 (referred to as the general power of competence).

Prior to entering in any grant agreements, the client officers must ensure legal advice is sought on the terms and conditions of such grant agreements to ensure these are acceptable and any risks flagged appropriately.

Client officers must also ensure they seek appropriate legal and procurement advice prior to procuring any heat decarbonisation plans. Whenever the council procures goods, works or services (such as provision of heat decarbonisation plans) and the value exceeds certain thresholds, the council will need to comply with either the council's procurement rules and/or the Public Contracts Regulations 2015. Such advice will enable client officers to ensure the applicable procurement obligations are met.

Client officers will also need to ensure appropriate terms and conditions are agreed with the supplier of the decarbonisation plans, again making sure these are acceptable and any risks flagged appropriately.

Legal Team Leader: Sinead Willis, Team Manager: Commercial and Governance 23 May 2023

3. Implications on IT: I can see no implications on IT in this report

IT Team Leader: Gavin Ar buckle, Head of IT Operations 19 May 2023

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams HR Business Partner 24 May 2023

EDM Sign-off	John Smith, Interim Executive Director Growth and Regeneration	24 May 2023
Cabinet Member sign-off	Cllr Kye Dudd - Cabinet Member for Climate, Ecology, Energy and Waste	5 June 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	5 June 2023

Appendix A – Further essential background / detail on the proposal LCSF 4 Property List	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO

Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO