

Report to:	EXECUTIVE CABINET
Date:	16 December 2020
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth) Councillor Allison Gwynne – Executive Member (Neighbourhoods, Community Safety and Environment)
Reporting Officer:	Paul Smith – Assistance Director Strategic Property
Subject:	DECARBONISATION OF THE PUBLIC ESTATE - ACCEPTANCE AND EXPENDITURE OF GRANT FUNDING
Report Summary:	The report provides background information in regard to the Decarbonisation of the Public Estate Fund and the bid submission that the Council has made to the fund working as part of a GMCA consortium. The report provides information in relation to the processes involved in bid submission, the timescales involved and the detail of the Councils submission. The report also provides information in regard to how a successful grant will be accepted and the outline proposed plan in regard to the delivery of works.
Recommendations:	That Executive Cabinet be recommended to: <ul style="list-style-type: none"> (i) Give approval in principal to the acceptance of the grant funding from the Public Sector Decarbonisation Fund of circa £2.4 million to be included in Property Services capital budget and approve expenditure for associated capital works on identified buildings as detailed in the report. (ii) Note that approval would be in principal pending receipt of the formal grant condition letter, which will be received circa 11 December, with subsequent separate Executive Decision in regard to formal acceptance.
Corporate Plan:	Modern infrastructure and a sustainable environment that works for all generations and future generations.
Policy Implications:	Greater Manchester 5 Year Environment Plan.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The report sets out details for the acceptance in principle of grant funding via GMCA to support capital related measures that will decarbonise the public estate including the borough's schools.</p> <p>The report states that the related costs will be entirely financed via the grant subject to assessed criteria of the work to be carried out. The Council is not intending to enhance the related measures at this stage. However, further governance will be required if there are any additional costs that arise that are not supported via the grant funding. This may be required, if for example, the expected level of ongoing revenue savings exceeds the level of additional capital investment over a specified time period i.e. an invest to save initiative. Any additional investment will be subject to robust financial assessment prior to consideration for approval by Members.</p> <p>The report currently excludes details on any ongoing revenue expenditure implications by carrying out these measures on the</p>

estate. In addition there are no details of the expected ongoing energy related savings that will be realised.

These will need to be included in the subsequent report to Members that will request approval of the grant conditions.

Legal Implications:
(Authorised by the
Borough Solicitor)

As set out in the recommendations approval is being sought from Members only to accept the grant in principle as the actual terms of the grant will not be known until 11 December 2020.

In order to be able to consider whether to accept such grant monies, it will be necessary to have some understanding of the ongoing revenue expenditure implications by carrying out these measures on the estate together with any expected ongoing energy related savings that will be realised. Whilst these figures will clearly not be exact it will be necessary to understand if we are paying to go green or whether such schemes break even. Given our financial position we need to understand the cost of doing the right thing.

Therefore legal services will work with the project officers once the grant agreement has been received in order to advise in the requirements connected to the grant which will be set out in the subsequent executive decision.

Risk Management:

As contained in the report

Background Information:

The background papers relating to this report can be inspected by contacting Alison Lloyd-Walsh



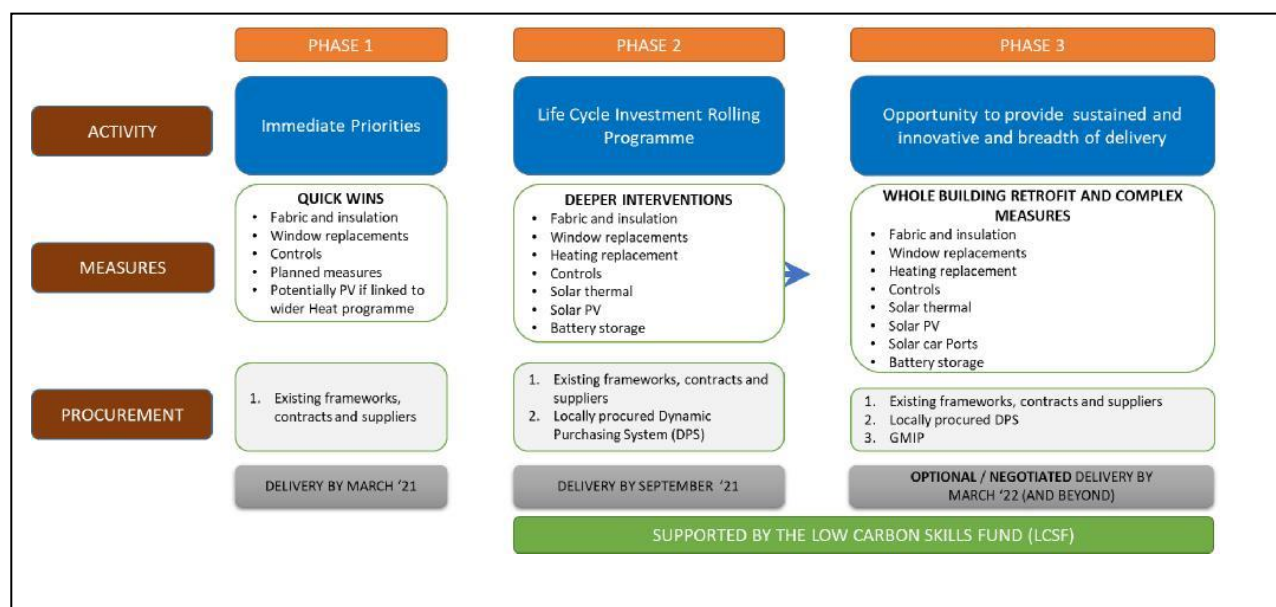
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1. INTRODUCTION

- 1.1 As part of the Summer Fiscal stimulus, Government announced £1bn funding for the Public Sector Decarbonisation Scheme (PSDS). This funding is being released, as 100% grants, via Salix Finance (NDPB), between October 2020 and January 2021.
- 1.2 The PSDS fund aims to halve carbon emissions from the Public Estate by 2032, through the deployment of energy efficiency and heating measures. All buildings, where at the time of the bid the end beneficiary is confirmed as being a public body, are eligible for this scheme including. Local Authority estate, Leisure sites (if the savings can be recouped by the LA) and community schools. Social housing is excluded from this scheme and will be addressed under a different funding allocation.
- 1.3 In effect the grant looks to provide funding to either remove completely or reduce dependency on gas fired heating systems in our buildings. In buildings in which we are able to do this the grant also provides additional capital funding for the installation of other measures including solarPV , insulation , led lighting ,double/triple glazing and smart heating controls .
- 1.5 The PSDS offers a very rare opportunity to bid for 100% funding for capital works to our buildings that would produce a real step change in the way we heat our buildings and underline our commitment to the Greater Manchester carbon reduction targets . It also provides an opportunity to improve our buildings and in some cases will provide planned replacements that would have required funding via internal Council funding . Installed measures will also reduce the Councils overall utility costs .
- 1.6 The PSDS is split into 3 phases :-
All bids submitted are relevant to Phase 1 (delivered by March 21) and Phase 2 (delivered by September 21). Further work in 2021 will be required should we wish to bid for projects in Phase 3.



- 1.7 A successful Skills fund application, for £983k, was submitted on Wednesday 14 October, to enable a robust Public Sector Decarbonisation Fund submission to be made on November 23. Approval to receive and expend this feasibility funding was given by GMCA Chief Executive and Treasurer, under delegated powers, in October 2020.

2. THE BID PROCESS

- 2.1 Working under a combined GMCA scheme we have undertaken baseline assessments of our portfolio. Once assessed a number of buildings were submitted for initial review and detailed technical survey focussed on the required compliance criteria for the fund. The detailed surveys focussed on the types of measures that could be potentially installed at each building and the feasibility of installing the measures.
- 2.2 The assessment of which of our buildings to put forward for the more detailed technical surveys was based on information that we already had e.g. building condition surveys – that indicated where existing equipment in the buildings such as boilers and also fabric condition such as glazing would require replacement in the short to medium term . We also considered location and size of buildings as we were already aware that some sites would not be suitable for technology such as ground source heat pumps. The heritage status of buildings also needed to be considered as installation in buildings that required Listed Building Consent (LBC) would probably not be viable in the very tight timescales required under the grant conditions. In addition and given priority consideration was the scale/scope of our bid in relation to be able to manage successful completion in the timescales required within the additional management of potentially having to close or suspend services at some buildings whilst work is being undertaken. The bid process itself was technically complex requiring intense input from officers across a very short time frame this also influenced the scale and scope of our bid submission.
- 2.3 The detailed technical findings of the survey were input into a carbon calculator tool provided by SALIX who are administering the scheme on the Governments behalf. The calculator then provided a 'compliant' /'not compliant' result. Those buildings deemed to be compliant were included in the final submission on the 23 November 2020. A list of the buildings and the measures applied for are attached at Appendix A.
- 2.4 The total GM bid amounted to over £80 million made up of bid submissions from 13 public sector organisations. There was no filtering or rationing of the levels that organisations could individually bid for. The Council's bid is for £2.4 million for 90 individual measures across 11 buildings. The measures are estimated to save 89515kWh of electricity which amounts to 22.85 tonnes CO₂, and on of gas we will save 127359 kWh which amounts to 23.41 tonnes of CO₂, so total reduction of 46.26tonnes of CO₂ which is the primary focus of the initiative. In addition we will also benefit from cost avoidance of planned replacement of equipment from internal revenue and capital and an estimated saving of £63k on utility costs.

3.0 BID OUTCOME

- 3.1 We have been informed that the result of the bid will be announced circa the 11 December 2020. If the GMCA bid has been successful we will then receive a formal notification of the grant conditions . At this point we understand the main conditions to be:-
- The end beneficiary is a public body
 - That the fund be spent only on those works submitted in the bid
 - That the timescales for completion of the works bid for are complied with – not withstanding reasonable delay due to risks that have been previously identified in bid submission e.g COVID , delays in complex planning /listed building compliance
 - That we monitor the effectiveness of the measures via a monitoring tool supplied and overseen by Department of Business , Energy and Industrial Strategy (BEIS)

The requirement and ability to meet these conditions have been forefront in our bid submission and we are confident that (as known at time of writing) we will be able to comply.

- 3.2 There are no financial consequences for GMCA/District revenue budgets, other than existing staff time to support delivery. GMCA will receive and disburse the capital grant either directly or via 'pass-through' grant to Districts and other partners.
- 3.3 The PSDS Capital Grant fund is proposed as a 100% capital grant scheme, which can be topped up where desired measures do not fully meet the assessment criteria, e.g. Solar PV in some cases. At this point we are not intending to top up schemes other than where a major opportunity may present during work installation stage . This would be subject to further reporting and governance as required.
- 3.4 It is intended that GMCA will contract with Salix and either have back to back contracts with LAs (asset owners) for delivery or, at the request of Districts, procure delivery agents directly.
- 3.5 Due to the very tight timescales for completion of the works it is imperative that we begin works as soon as we are able to. This report is focused on informing members in regard to the background, providing information relation to the detail of the bid and asking for approval in principal to accept the funding into the Councils capital fund, with further approval in December via an Executive Decision to respond to the Grant Condition Offer Letter and acceptance of the Grant.

4. UNDERTAKING THE WORK /DELIVERY

- 4.1 The delivery of capital works and installation of measures will be undertaken via the Councils arrangement with the LEP, Robertson and associated supply chain. Each themed project will have a defined project plan and a stakeholder project steering group will oversee the entire scheme(s) of work.
- 4.2 It is anticipated that the individual projects will be defined/organised and managed against 'installation measures' than a 'whole building' approach, this allows for better control and management of costs and contractors.

5. RECOMMENDATIONS

- 5.1 As set out at the front of the report.

Selected Buildings and Measures Contained in the Bid

Town	Building	Measure Submitted via Compliancy Check
Audenshaw	Audenshaw Primary School	LED lighting
Dukinfield	Birch Lane Child and Family Centre	Draught proofing / loft insulation / glazing / Boiler / Heat Pump/ TRV's / LED / Upgrade to efficient hand driers /
Denton	Denton Festival Hall	Solar PV/ Battery Storage / Insulation / LED / TRV'S / glazing improvements / BMS / draught proofing / flow restrictors
Mossley	George Lawton Hall	Boiler / Heat Pump /LED / BMS / lighting/ glazing improvements / heating controls / Insulation, draught proofing / energy efficient hand driers / solar film / BMS
Droylsden	Greenside Children's Centre	Boiler / Heat Pump/ draught proofing/ wall insulation/ loft insulation/ TRV's/ LED's / replacement of A/C units
Stalybridge	Gorse Hall Primary School	Solar PV / Battery storage / Gas Boiler / Heat Pump / Replacement of A/C units / LED
Ashton	Hegginbottom Mill	Wall Insulation / Pipework Insulation / TRV's / Glazing / LED
Ashton	Hurst Knoll School	Heat Pump / Wall Insulation / LED Glazing Improvements
Hyde	Hyde Town Hall	Draught proofing / loft Insulation / Secondary Glazing / TRV's / Insulating Pipework / Replacement cooling unit / upgrade ventilation filters / BMS / zone valves / LED / flow restrictors
Dukinfield	Loxley House	Wall Insulation, LED, BMS , Solar Thermal HW, Glazing Upgrade
Ashton	St Peters Childrens Centre	Solar PV / Battery Storage / Boiler / Heat Pump/ Insulation / Hand driers / LED