



**Corporate Policy and
Resources Committee**

Thursday, 19 Sept 2024

Subject: Approval Arrangements for Grant bids supporting Net Zero

Report by:

Steve Leary / Rachael Hughes

Contact Officer:

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Purpose / Summary:

This report sets out the governance arrangements for approving future Net Zero funding bids to ensure compliance with the Council's Financial Regulations.

RECOMMENDATION(S):

- Members note the content of this report and support the requirement for extraordinary meetings of the Corporate Policy and Resources Committee to be called by the Head of Paid Service as needed to approve future bids, and where there is not a scheduled meeting of the Committee at which an urgent item could be considered.

IMPLICATIONS

Legal: In May 2019, the UK Government declared a non-legally binding Climate Change Emergency declaration and the Committee on Climate Change recommended a new emissions target for the UK: net-zero greenhouse gases by 2050. This was made a statutory target in June through the Climate Change Act (2050 Target Amendment) Order 2019.

Though this is high level funding bid application, the scheme requires evidence of a commitment to match funding from the council. It does not require WLDC to enter into an agreement to accept grant funding, even if the bid is successful.

The Council will be required to enter into an agreement with Salix if a grant offer letter materializes early in 2025 to secure allocated funding. Due diligence should be undertaken to ensure that the terms are acceptable to the Council and that the project officers understand and operate within the conditions of the funding so as not to trigger any claw back clauses.

Financial: FIN REF FIN/EVF100924

£500k was earmarked to support delivery of the Environment & Sustainability Strategy of this fund, £477k remains. There are also £612k of carbon reduction initiative in the capital programme for 2024-25 and 2025-26. This includes £210k for LED streetlight upgrade works and £402k of Swimming Pool support scheme grant funding for Gainsborough Leisure Centre solar project.

The purpose of this report is to ensure that the Financial Regulations are being complied with and that the grant deadlines can be met.

Staffing: Staffing and skills requirements to deliver this work will be continually reviewed and monitored as the project progresses from high level assessment to investment grade proposal. A project management and governance approach will be required and submitted as part of the PSDS bid.

Equality and Diversity including Human Rights: The Council's ambition is to ensure that neither the effects of climate change, nor the costs of reducing emissions, disproportionately affect any residents of the district.

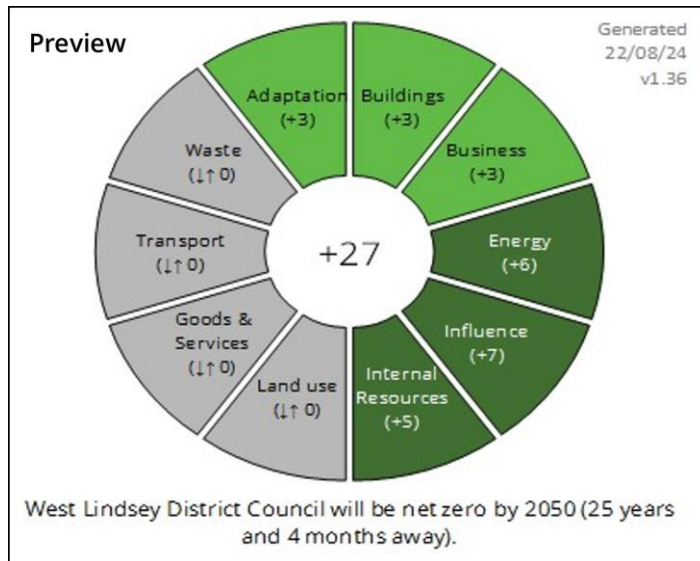
Decarbonisation has many co-benefits that have the potential to increase equality and community cohesion. These include improving health and wellbeing through more active travel, improving air quality with reduced vehicle use, increasing social inclusion through community activities and reducing fuel poverty by insulating homes and installing on-site renewable energy.

In practice the potential project is too high-level and not developed enough yet to undertake a meaningful equality assessment. Equality assessments are undertaken as actions are developed as required by PSDS governance.

Data Protection Implications: None

Climate Related Risks and Opportunities: The Carbon Management Plan, Climate Strategy and Action Plan contain proposals aimed at reducing the Council's carbon emission to a net-zero position by 2050 and achieve the same across the District of West Lindsey within the same timescale.

A climate, environment and sustainability (CESIA impact) assessment is shown below.



The CESIA shows positive climate and environmental benefit from the project in a number of areas. Retrofitting the Guildhall with low carbon heating, microgeneration technologies and energy saving, and climate control measures can help futureproof the building. Proceeding with the work scores highly because it represents a commitment to continued energy audit, analysis and improvement action and sends a positive message to internal and external stakeholders. It would show momentum in our actions to address climate change as well as partnership working and influencing benefits. Bringing in external funding would preserve scarce WLDC funds for other projects and initiatives in this area. Over 800 tonnes of CO2 equivalent emissions would be saved by fitting the recommended technologies at the Guildhall over the project lifespan.

Climate related risks are inherent. The risk of not delivering the Carbon Management Plan and its aims and objectives could lead to the Council contributing to irreversible temperature rises and subsequent damage to the climate and natural environments. Additionally, sudden and unexpected changes in global temperatures which result in the forecasts of the IPCC, upon which our work is predicated, being no longer valid, would require an even more urgent response to climate challenges.

Section 17 Crime and Disorder Considerations: N/A

Health Implications: Health and wellbeing are strongly linked and interwoven into the aims of the climate, environment and sustainability strategy as co-benefits of taking positive action to address climate change

Title and Location of any Background Papers used in the preparation of this report:

[The Council's Carbon Management Plan and draft Sustainability, Climate and Environment Strategy and action plan](#)

Risk Assessment:

WLDC recognised the UK Govt's climate emergency and Members unanimously passed a strategy, action plan and carbon management plan in June 2021, following consultations with various stakeholders. The Strategy was refreshed in June 2024. The risks associated with not proceeding with this proposed programme of decarbonisation projects are threefold:

1. Risk of exacerbating the problems associated with increased levels of CO2
2. Risk of a damage to reputation. Having declared WLDC support for urgent action – there is a risk of inaction generating subsequent reputational harm, which could create a relationship breakdown (trust, credibility and confidence) between the authority and citizens.
3. Risk of not completing the programme within the allotted time laid out by Salix which would have further financial implications. This risk must be stated, but the performance through PSDS1 and other grant funding, and the timeframes given, does give a high confidence factor that officers have sufficient time to deliver.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

1.0 Background

- 1.1 The Council has committed to be carbon neutral by 2050 at the latest. To contribute to achieving this target, the Council must undertake significant works to our own buildings and improve the ecological efficiency of our fleet.
- 1.2 WLDC has begun the process of decarbonisation works already and there is a track record in this area of delivering commitments against a Carbon Management Plan. The Council achieved a 35% reduction in Carbon Dioxide emissions from baseline year 2008/9 by 2021. However, a general feeling is that many of the 'easy win' projects – such as energy efficiency improvements that pay back in financial terms as well as CO2 reductions – have already been undertaken. Following extensive efforts, the council's CO2 equivalent emissions are back down to 2021 levels at around 1350 tonnes CO₂e. This follows a rise in previous years as new WLDC buildings enter the emissions ledger. Future rises are projected as the district continues to grow and new services are delivered such as food waste collections.
- 1.3 WLDC has applied for funding from the Public Sector Decarbonisation Scheme (PSDS) and Swimming Pool Support Fund with success. In March 2021 the Council was awarded £68k of PSDS money in Round 1 (PSDS1), following a bid the previous year. This helped fund solar PV and battery storage at the Caenby Corner depot. The works have now been completed and are delivering energy savings and financial savings for the council that would not otherwise have been achieved. We have been awarded £403K from the Swimming Pool Support Fund to install solar panels at West Lindsey District Council Leisure Centre.
- 1.4 The PSDS fund is about to open again and aims to halve carbon emissions from the Public Estate by 2032, through the deployment of energy efficiency and low carbon heating measures. Eligible bodies must either own the building that the funding is being used to upgrade or have a long-term lease arrangement where the tenancy agreement places the responsibility for operation and maintenance of the building services on the eligible body. The grant again looks to provide funding to either remove completely or significantly reduce dependency on gas-fired (fossil fuel) heating systems in public buildings. The grant will likely also provide additional matched capital funding for the installation of other measures including solar PV, insulation, LED lighting, double/triple glazing and smart heating controls.
- 1.5 Previously, the match funding requirement is based on two criteria.
 1. That costs which can be attributed to work which is beyond a given threshold of £325/tonne of CO₂ – are covered by the Local Authority.
 2. Additionally, any like-for-like replacement costs for plant nearing the end of its useful life must also be met by the Local Authority.

It is competitive funding, and the expectation is that funding will be fully allocated to compliant schemes extremely quickly when the application portal opens in November. Therefore, any WLDC application will need to be prepared and approved in advance of this date so that it stands the best chance of success.

- 1.6 The Council's Financial Regulations require authorisation from this Committee to submit grant funding applications in advance of submission where a grant bid is in excess of £50,000. It is highly likely that the bid we submit to the Public Sector Deposit Fund will be for a value higher than £50,000. It is highly possible that there will not be a planned Corporate Policy and Resources Committee meeting within the timeframe between scheme announcement and the opening of the scheme for bids. Because bids are approved on a first come first served basis it is essential that we are able to schedule a committee meeting to approve our bid on a timely basis.
- 1.7 In order to proceed with the submission of the bid, the Chief Executive Officer in his role of Head of Paid Service is constitutionally able to call an extraordinary Corporate Policy and Resources Committee meeting with a minimum of eight days' notice. This report seeks agreement for this governance process to be used to enable bids to be submitted with the requisite approval outside of the urgent delegated decision process, which does not allow Committee approval, and where there is not a scheduled meeting of the Committee at which an urgent item could be considered.