



Oversight and Governance

Chief Executive's Department

Plymouth City Council

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Delegated Decisions

Delegated Executive/Officer Decisions

Delegated Executive and Officer decisions are published every Wednesday and are available at the following link - <https://tinyurl.com/ms6umor>

Cabinet decisions subject to call-in are published at the following link - <http://tinyurl.com/yddrql6>

Notice of call-in for non-urgent decisions must be given to the Democratic Support Unit by 4.30 pm on Wednesday 18 October 2023. Please note – urgent decisions and non-key Council Officer decisions cannot be called in. Copies of the decisions together with background reports are available for viewing as follows:

- on the Council's Intranet Site at <https://modgov/mgDelegatedDecisions.aspx>
- on the Council's website at <https://tinyurl.com/jhnax4e>

The decisions detailed below may be implemented on Thursday 19 October 2023 if it is not called-in.

Delegated Decisions

I. Councillor Tudor Evans OBE, Leader of the Council:

- I.a. L23 23/24 Heat Decarbonisation Programme Phase A – additional funds **(Pages 1 - 20)**
- I.b. L25 23/24 Local Authority Homes Fund (LAHF) Round 2 delegated authority to allocate funds **(Pages 21 - 28)**

EXECUTIVE DECISION

made by a Cabinet Member




REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L23 23/24

Decision	
1	Title of decision: Heat Decarbonisation Programme Phase A – additional funds
2	Decision maker: Councillor Tudor Evans OBE, Leader of the Council
3	Report author and contact details: Alastair Gets, 306930, Alastair.Gets@plymouth.gov.uk
4	<p>Decision to be taken:</p> <ol style="list-style-type: none"> 1. Approve the updated business case; 2. Approve the addition of £437,707.79 to the Capital Programme for the Heat Decarbonisation Programme funded from ERDF D2Grids grant and CEIF funding.
5	<p>Reasons for decision:</p> <p>Business cases for the ‘Big 4’ (L40 20/21) and ‘Next 7’ (L54 20/21) Decarbonisation Projects were signed in of 2021. Since then some sites were removed from this phase of the programme, additional funding was added & subtracted and the two projects were combined into one cost code. The completion of works is delayed mainly due to supply chain delays, the main contractor having sub-contractor issues, asbestos clearing taking longer than anticipated and other unforeseen issues.</p> <p>The original BC cost was £4.809m which has increased to £5,428,052.41 covered by Salix and other grants, S106 and CEIF funds. However, £437,707.79 of that from D2Grids grant and CEIF funding still needs to be added to the capital programme, as described by the new Capital Investment BC.</p>
6	<p>Alternative options considered and rejected:</p> <p>Reduce the scope of the decarbonisation programme to avoid the additional costs. This was rejected as a reduced scope would compromise the heat pumps and associated equipment’s operability and capability to save revenue and carbon.</p>
7	<p>Financial implications and risks:</p> <p>As the additional funds that are to be added to the capital programme are not borrowing, there is no further revenue pressure to cover the loan costs. Indeed, by adding these additional sources of funding it negates the need to use borrowing to cover the shortfall caused by cost increases.</p> <p>The D2Grids grant from ERDF Interreg is an overlap between the heat decarbonisation project and district heat network project. It enables both to progress and is not seen as taking funds needed on one project and transferring to another. The CEIF funds are subsets of a larger pot already allocated to decarbonisation works within the Net Zero Delivery team and so are appropriately spent.</p> <p>The details of the additional funds to be added to the capital programme for this project are:</p> <ul style="list-style-type: none"> • CEIF 2.4 - £270,019.24 • CEIF 47k - £46,972.16 (fund certificate rounded to 47,000) • CEIF 70k - £70,000.00

	<ul style="list-style-type: none"> D2Grids fund - £50,716.39 (for district heat connection installed as part of this project) 			
8	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:
			X	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			X	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1 million
		X	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.	
	If yes, date of publication of the notice in the Forward Plan of Key Decisions	N/A		
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:	This project helps deliver: DEV32 – Delivering low carbon development by reducing the energy load DEV33 – Renewable and low carbon energy (including heat) through delivering low carbon energy that will be used in Plymouth to help towards reducing carbon emissions. This project will have minimum impact on the landscape of Plymouth as the installations will be within existing buildings. The project will help PCC to reduce their energy bills and protect against future increases in energy price enabling longer term financial planning.		
10	Please specify any direct environmental implications of the decision (carbon impact)	The provision of solar installations can contribute to Policy 25 Reducing Carbon Emissions by providing clean electricity and heat to the council, saving 437 tonnes of CO ₂ e per year.		
Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair Signature:		Date	
	Scrutiny Committee			

	name:		
	Print Name:		
Consultation			
I3a	Are any other Cabinet members' portfolios affected by the decision?	Yes	
		No	X (If no go to section I4)
I3b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Mark Lowry (Cabinet Member for Finance)	
I3c	Date Cabinet member consulted	27/09/2023	
I4	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes	If yes, please discuss with the Monitoring Officer
		No	X
I5	Which Corporate Management Team member has been consulted?	Name	Paul Barnard
		Job title	Director of SP&I
		Date consulted	10/08/2023
Sign-off			
I6	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS 46 23/24
		Finance (mandatory)	DJN.23.24.107
		Legal (mandatory)	LS/00001312/1/AC/18/9/23
		Human Resources (if applicable)	
		Corporate property (if applicable)	
		Procurement (if applicable)	
Appendices			
I7	Ref.	Title of appendix	
	A	Briefing report for publication	
	B	Equalities Impact Assessment	
	C	Capital Investment Business Case for Decarbonisation	
Confidential/exempt information			
I8a	Do you need to include any confidential/exempt information?	Yes	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for

		No	<input checked="" type="checkbox"/>	publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. (Keep as much information as possible in the briefing report that will be in the public domain)				
		Exemption Paragraph Number						
		1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title:							
Background Papers								
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.							
Title of background paper(s)		Exemption Paragraph Number						
		1	2	3	4	5	6	7
Cabinet Member Signature								
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act (2010) and those who do not. For further details please see the EIA attached.							
Signature			Date of decision	5 October 2023				
Print Name	Councillor Tudor Evans OBE, Leader of the Council							

PCC HEAT DECARBONISATION PROGRAMME PHASE A

Briefing Report Part I



Business cases for the 'Big 4' and 'Next 7' Decarbonisation Projects were signed in of 2021. Since then some sites were removed from this phase of the programme, additional funding was added & subtracted and the two projects were combined into one cost code. The completion of works is delayed mainly due to supply chain delays, the main contractor having sub-contractor issues, asbestos clearing taking longer than anticipated and other unforeseen issues.

The original BC cost was £4.8m which has increased to £5.4m covered by Salix and other grants, SI06 and CEIF funds. However, £437,707.79 of that from D2Grids grant and CEIF funding still needs to be added to the capital programme.

Any further risk of unforeseen cost rise is mitigated by a 2.5% contingency included in the final cost.

There is a small saving of £623 in year 1 on energy and maintenance costs and a good carbon reduction of 7,680 tonnes of CO₂e over the life of the measures.

This project supports the need to reduce carbon emissions across the PCC estate, which contributes to the Corporate Carbon reduction Plan, and the climate emergency declaration with the net zero carbon ambitions.

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CAPITAL INVESTMENT BUSINESS CASE

Heat Decarbonisation Programme, Phase A – additional funds



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

Business cases for the 'Big 4' and 'Next 7' Decarbonisation Projects were signed in February and March of 2021.

Since then some sites were removed from this phase of the programme, additional funding was added & subtracted and the two projects were combined into one cost code. The completion of works is delayed mainly due to supply chain delays, the main contractor having sub-contractor issues, asbestos clearing taking longer than anticipated and other unforeseen issues. The latest update on completion of the last site is end September 2023, plus 1 year of monitoring and optimisation.

The original BC cost was £4.809m and covered by Salix grants, S106 and PCC borrowing.

The current project cost has increased to £5,428,052.41 including a 2.5% contingency. Some of these increases (£181,395.62) have already been covered by additional funds from S106, CEIF and other grants along the way and already added to the Capital Programme. However, there is still **£437,707.79** needed.

This BC proposes adding **£437,707.79** from D2Grids fund and CEIF funding to cover the shortfall.

Any further risk of unforeseen cost rises will be mitigated by the contingency included in the final cost.

There is a small saving of approximately £623 in year 1 on energy and maintenance costs and a good carbon reduction of 7,680 tonnes of CO₂e over the life of the measures.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£4,990,344.62 plus £437,707.79 for this BC = £5,428,052.41 Capital	Contingency (show as £ and % of project value)	£135,683.66 (2.5% of overall project value, with 90% of works already paid for)
Programme		Directorate	Place - SP&I
Portfolio Holder	Cllr Tom Briars-Delve	Service Director	Paul Barnard
Senior Responsible Officer (client)	Dan Williams	Project Manager	Paul Roscorla (WWA) / Alastair Gets (PCC)
Address and Post Code	Various across city	Ward	Citywide

Current Situation: *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

Business cases for the 'Big 4' and 'Next 7' Decarbonisation Projects, covering 11 sites and mostly funded by Salix grants, were signed in February and March of 2021.

Since then some sites were removed from this phase of the programme (leaving 8 sites), additional funding has been added, some funding was moved to other cost codes, some Salix money was paid back (unspent by the grant deadline) and the two projects were combined into one PCC Decarbonisation Programme with a single cost code (8596//6043). The completion of the works has also been delayed mainly due to supply chain delays, the main contractor having sub-contractor issues, asbestos clearing taking longer than anticipated and other unforeseen issues. As a result, additional funding is required to cover the final costs.

At the time of writing, some sites have been commissioned and the latest estimated completion of the last site is September 2023. The ASHP contractors then have 1 year of monitoring and optimisation before handing over to PCC. That year is also the defect period for the works and 2.5% of retention is held for that.

Original Cost and Budget

The two BCs for the Heat Decarbonisation Projects had a combined projected cost of £4.809m and was originally funded from:

- Three Salix grants (86%),
- S106 certificates (10%), and
- PCC borrowing for Ballard insulation (4%).

Current Project Costs

The current total project cost for the ASHP contract, the solar PV contract, the consultant and capitalised costs is £5,292,396.59. This increase, since the original BC, is due to:

- Delays of delivery have resulted in extended time and therefore cost for external PM, CA, QA, EA and PCC capitalised salaries,
- Unforeseen price increases since the 2021 tender,
- Additional PCC instructions and contractor variation claims (that have been approved), and
- Surveys for other buildings for future decarbonisation

The main contractor has also submitted in additional claims amounting to £135,655.82. These claims have not agreed to by our Employers Agent, and are unlikely to be so. However, the value needs to be reserved and, more likely, will actually serve as a 2.5% contingency for any unknown future costs.

The final overall cost, including contingency, is therefore £5,428,052.41

Current Project Funding

During the project delivery some funding (originally under this project) was moved from this cost centre to other decarbonisation projects and some Salix grant was paid back, as follows:

- Ballard roof insulation project - £364,000 of borrowing & Salix grant moved to that cost centre
- Ballard basement/car-park insulation - £36,500 of Salix grant moved to that cost centre
- Elliot Terrace glazing - £35,000 of Salix grant moved to that cost centre
- Salix Next 7 grant - £166,479.10 of unspent grant was returned (unable to be spent by the deadline).

However, also during the delivery, other funding was added to this cost centre (8596//6043) from:

- Salix Skills grants – £162,888.00
- Additional S106 – £283,949.00
- CEIF – £127,798.76
- HeatNet grant – £80,690.00
- SunPeople grant – £62,176.40
- BEIS Civic grant – £66,187.96

The net remaining addition to the cost centre is £181,344.62 and this brought the current budget to £4,990,344.62

This means that we still need **£437,707.79**, or another 9%, to cover the final costs.

Proposed Additional Funding

It is proposed that CEIF and D2Grids funds of cover the **£437,707.79** shortfall.

Three additional CEIF fund certificates, from a £600,000 CEIF pot that was already allocated to decarbonisation delivery within the Net Zero Delivery Team (formally the Low Carbon City Team), and grant from D2Grids NW Europe Interreg fund:

- CEIF 2.4 - £270,019.24*
- CEIF 47k - £46,972.16 (fund certificate rounded to 47,000)
- CEIF 70k - £70,000.00
- D2Grids fund - £50,716.39 (for district heat connection installed as part of this project)

The final budget proposed is therefore £5,428,052.41

**The value of CEIF 2.4 is £320k, however, the Council House asbestos works associated with this project during 2022/23 was originally charged to Revenue for £49,980.76. This was subsequently recoded to capital in April 2023 and paid for by some this CEIF funding. It was requested from Revenue and approved by David Northey (record available) ‘with the understanding that if the project goes overspent that Corporate Borrowing can be allocated to cover up to the £50k charged’. So the additional that needs to be added to the capital programme from this certificate is £270k as listed above. But it implies an additional backstop of £50k, should it be needed.*

Proposal: (Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) **and** (What would happen if we didn’t proceed with this scheme?)

It is proposed that the **£437, 707.79** CEIF funding and BEIS Civic Centre grant be added to the Capital Budget for the PCC Heat Decarbonisation programme to cover the additional costs that have arisen due to supply chain delays and other unforeseen additional costs.

Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
Main M&E contracts awarded in September & December of 2021	October 2021	Last site estimated to be complete by end September 2023, followed by 1y of monitoring & optimisation

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: <i>The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).</i>				
Potential Risks Identified – <u>only for new budget of this BC</u>		Likelihood	Impact	Overall Rating
Risk	Unforeseen cost rises and further delays resulting in cost increases for the remainder of the project meaning further funds need to be sought	Medium	High	High
Mitigation	A contingency has been included at 2.5% of the overall project value and 31% of the new funds proposed in this BC. PCC are also looking into LAD claims due to contract date overruns by the main contractor	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£0	Expected to be covered by contingency (and LADs if necessary)		

Outcomes and Benefits	
List the outcomes and benefits expected from this project. <i>(An outcome is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)</i> <i>(A benefit is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)</i>	
Financial outcomes and benefits:	Non-financial outcomes and benefits:
The financial outcome is: Less reliance on gas and any costs associated with air quality around boilers, and ultimately costs of fossil-fuel-driven climate change. The financial benefit in total including all measures that this cost code contributed to is estimated at about £60.6k per year of gas and electricity savings (for this cost centre only is about £4k per year). However, there is about £3.4k of net maintenance cost over and above the boiler maintenance, resulting in about £623 benefit in year 1.	Non-financial outcomes are improved air quality around boilers due to the reduction in gas use and contribution to the climate emergency by the reduction in carbon emissions. The Non-financial benefits to PCC's carbon net zero by 2030 commitment is 425 tonnes of CO ₂ e reduced per year or about 7,680 tonnes of CO ₂ e reduced over the life of the measures.

Low Carbon	
What is the anticipated impact of the proposal on carbon emissions	425 tonnes of CO ₂ e reduced per year or about 7,680 tonnes of CO ₂ e reduced over the life of the measures
How does it contribute to the Council becoming Carbon neutral by 2030	These buildings are among the highest emitters of carbon so these measures contribute greatly to carbon neutrality
Have you engaged with Procurement Service?	Yes
Procurement route options considered for goods, services or works	Open tenders, mini competition within frameworks, variations of existing contracts
Procurements Recommended route.	The project is currently running and there are 2 main contractors procured through invited tender and variation of contract
Who is your Procurement Lead?	Gosia Anthony
Is this business case a purchase of a commercial property	No

If yes then provide evidence to show that it is not 'primarily for yield'	
Which Members have you engaged with and how have they been consulted (<i>including the Leader, Portfolio Holders and Ward Members</i>)	Initially for original BCs Cllr Sue Dann Cllr Stoneman was subsequently briefed Cllr Tom Briars-Delve briefed by presentation and discussion on 05 September 2023

SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

CAPITAL COSTS AND FINANCING – TOTAL PROJECT

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs. £	Total £
ASHP M&E Contract	4,110,184.40	220,786.50	111,050.54					4,442,021.44
Solar&Battery Contract	317,207.88	26,310.89	4,176.31					347,695.08
Surveys		35,000	35,000					70,000.00
Project delivery	301,979.31	33,720.00	47,000.00					382,669.31
Asbestos removal	49,980.76							
Contingency		67,827.91	67,827.91					135,655.82
TOTAL capital spend	4,779,352.35	383,645.30	265,054.76					5,428,052.41

Provide details of proposed funding: *Funding to match with Project Value*

Breakdown of proposed funding	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Fut Yrs. £	Total £
<i>Original BCs (Salix, S106, Borrowing)</i>	4,738,891.59	70,108.41						4,809,000.00
<i>Net during delivery: Added (Salix, S106, CEIF, grants), & Subtracted (borrowing, Salix)</i>		181,344.62						181,344.62

THIS BUSINESS CASE: proposed: CEIF, and		265,231.47	121,759.93					386,991.40
EU D2Grids fund		50,716.39						50,716.39
TOTAL this BC		315,947.86	121,759.93					437,707.79
<i>Total Project funding</i>	<i>4,738,891.59</i>	<i>567,400.89</i>	<i>121,759.93</i>					<i>5,428,052.41</i>

Which external funding sources been explored	Additional Salix grant funding has been added along the way
Are there any bidding constraints and/or any restrictions or conditions attached to your funding	There was a spend deadline on the Salix funding and some had to be paid back (very tight timeline).
Tax and VAT implications	The original BCs: <i>The sites proposed for the decarbonisation works include some premises which are leased out or where the Council receives income from lettings. This means that a proportion of the VAT incurred on the capital cost of the works will be directly attributable to a VAT-exempt activity of the Council. VAT will still be recoverable but a proportion of the VAT will need to be included in the Council's partial exemption calculation which is required to ensure that the Council is able to fully recover VAT relating to all of its VAT-exempt activities and does not exceed its limit. Expenditure on the project must be regularly monitored, therefore, to determine the amount of VAT to be included in the calculation.</i>
Tax and VAT reviewed by	The original BCs: Sarah Scott

REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

Total Cost of developing the project	N/A (capitalised)
Revenue cost code for the development costs	
Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria	Y/N
Budget Managers Name	

Ongoing Revenue Implications for Service Area

	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Final Yrs. £
Service area revenue cost							
Other (net maintenance)			3,500	3,616	3,724	3,836	6,155
Loan repayment (terms agreed with Treasury Management)	0	0	0	0	0	0	0
Total Revenue Cost (A)			3,500	3,616	3,724	3,836	6,155

Service area revenue benefits/savings								
Annual revenue income (net energy)				4,133	4,257	4,385	4,516	7,247
Total Revenue Income (B)				4,133	4,257	4,385	4,516	7,247
Service area net (benefit) cost (B-A)				623	641	661	680	1,092
Has the revenue cost been budgeted for or would this make a revenue pressure		No revenue pressure, modest financial saving (large carbon saving)						
Which cost centre would the revenue pressure be shown		N/A		Has this been reviewed by the budget manager		Y/N		
Name of budget manager								
Loan value	£	Interest Rate	%	Term Years		Annual Repayment	£	
Revenue code for annual repayments								
Service area or corporate borrowing								
Revenue implications reviewed by								

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)



Author of Business Case	Date	Document Version	Reviewed By	Date
	25/08/2023	v 1.0	Lynn Walter	29/08/2023

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case
- Allocates **£437,707.79** for the project into the Capital Programme funded by CEIF

Tom Briars-Delve, Environment and Climate Change		Paul Barnard, Service Director for SP&I	
Either email dated:	06/09/2023	Either email dated:	07/09/2023
Or signed: 		Signed: 	
Date: 06/09/23		Date: 07/09/2023	

EQUALITY IMPACT ASSESSMENT – SALIX PCC HEAT DECARBONISATION PROGRAMME, PHASE A

SECTION ONE: INFORMATION ABOUT THE PROPOSAL

Author(s): This is the person completing the EIA template.	Alastair Gets	Department and service:	Spatial Planning and Sustainable Development, Strategic Planning and Infrastructure	Date of assessment:	23/08/2023
Lead Officer: Please note that a Head of Service, Service Director, or Strategic Director must approve the EIA.	Jonathan Bell	Signature:	J Bell by email	Approval date:	21/09/2023
Overview:	PCC are completing the installation of a range of measures to decarbonise a number of its properties, including energy efficiency and renewable energy, utilising funding from the Government's Public Sector Decarbonisation Scheme, administered by Salix, together with other grants, S106 and CEIF funding to support its Corporate Carbon Reduction Plan and Climate Emergency Action Plan. These measures are anticipated to save 7,680 tonnes of CO ₂ e over the life of the measures.				
Decision required:	Approve the addition of £437,707.79 to the Capital Programme for the Heat Decarbonisation Programme funded from ERDF D2Grids grant and CEIF funding.				

SECTION TWO: EQUALITY IMPACT ASSESSMENT SCREENING TOOL

Potential external impacts: Does the proposal have the potential to negatively impact service users, communities or residents with protected characteristics?	Yes		No	√
Potential internal impacts:	Yes		No	√

Does the proposal have the potential to negatively impact Plymouth City Council employees?				
Is a full Equality Impact Assessment required? (if you have answered yes to either of the questions above then a full impact assessment is required and you must complete section three)	Yes		No	√
If you do not agree that a full equality impact assessment is required, please set out your justification for why not.	The decarbonisation of heating in PCC buildings will not negatively affect age, care, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.			

SECTION THREE: FULL EQUALITY IMPACT ASSESSMENT

Protected characteristics (Equality Act, 2010)	Evidence and information (e.g. data and consultation feedback)	Adverse impact	Mitigation activities	Timescale and responsible department
Age	<p>Plymouth</p> <ul style="list-style-type: none"> • 16.4 per cent of people in Plymouth are children aged under 15. • 65.1 per cent are adults aged 15 to 64. • 18.5 percent are adults aged 65 and over. • 2.4 percent of the resident population are 85 and over. <p>South West</p> <ul style="list-style-type: none"> • 15.9 per cent of people are aged 0 to 14, 61.8 per cent are aged 15 to 64. 	No adverse impact anticipated.	Not Applicable	Not Applicable

	<ul style="list-style-type: none"> • 22.3 per cent are aged 65 and over. <p>England</p> <ul style="list-style-type: none"> • 17.4 per cent of people are aged 0 to 14. • 64.2 per cent of people are aged 15 to 64. • 18.4 per cent of people are aged 65 and over. <p>(2021 Census)</p>			
<p>Care experienced individuals (Note that as per the Independent Review of Children’s Social Care recommendations, Plymouth City Council is treating care experience as though it is a protected characteristic).</p>	<p>It is estimated that 26 per cent of the homeless population in the UK have care experience. In Plymouth there are currently 7 per cent of care leavers open to the service (6 per cent aged 18-20 and 12 per cent of those aged 21+) who are in unsuitable accommodation.</p> <p>The Care Review reported that 41 per cent of 19-21 year old care leavers are not in education, employment or training (NEET) compared to 12 per cent of all other young people in the same age group.</p> <p>In Plymouth there are currently 50 per cent of care leavers aged 18-21 Not in Education Training or Employment (54 per cent of all those care leavers aged 18-24 who are open to the service).</p> <p>There are currently 195 care leavers aged 18 to 20 (statutory service) and 58 aged 21 to 24 (extended offer). There are more care leavers aged 21 to 24 who could return for support from services if they wished to.</p>	<p>No adverse impact anticipated.</p>	<p>Not Applicable</p>	<p>Not Applicable</p>

Disability	9.4 per cent of residents in Plymouth have their activities limited 'a lot' because of a physical or mental health problem. 12.2 per cent of residents in Plymouth have their activities limited 'a little' because of a physical or mental health problem (2021 Census)	No adverse impact anticipated.	Not Applicable	Not Applicable
Gender reassignment	0.5 per cent of residents in Plymouth have a gender identity that is different from their sex registered at birth. 0.1 per cent of residents identify as a trans man, 0.1 per cent identify as non-binary and, 0.1 per cent identify as a trans women (2021 Census).	No adverse impact anticipated.	Not Applicable	Not Applicable
Marriage and civil partnership	40.1 per cent of residents have never married and never registered a civil partnership. 10 per cent are divorced, 6 percent are widowed, with 2.5 per cent are separated but still married. 0.49 per cent of residents are, or were, married or in a civil partnerships of the same sex. 0.06 per cent of residents are in a civil partnerships with the opposite sex (2021 Census).	No adverse impact anticipated.	Not Applicable	Not Applicable
Pregnancy and maternity	The total fertility rate (TFR) for England was 1.62 children per woman in 2021. The total fertility rate (TFR) for Plymouth in 2021 was 1.5.	No adverse impact anticipated.	Not Applicable	Not Applicable

Race	<p>In 2021, 94.9 per cent of Plymouth's population identified their ethnicity as White, 2.3 per cent as Asian and 1.1 per cent as Black (2021 Census)</p> <p>People with a mixed ethnic background comprised 1.8 per cent of the population. 1 per cent of the population use a different term to describe their ethnicity (2021 Census)</p> <p>92.7 per cent of residents speak English as their main language. 2021 Census data shows that after English, Polish, Romanian, Chinese, Portuguese, and Arabic are the most spoken languages in Plymouth (2021 Census).</p>	No adverse impact anticipated.	Not Applicable	Not Applicable
Religion or belief	<p>48.9 per cent of the Plymouth population stated they had no religion. 42.5 per cent of the population identified as Christian (2021 Census).</p> <p>Those who identified as Muslim account for 1.3 per cent of Plymouth's population while Hindu, Buddhist, Jewish or Sikh combined totalled less than 1 per cent (2021 Census).</p>	No adverse impact anticipated.	Not Applicable	Not Applicable
Sex	51 per cent of our population are women and 49 per cent are men (2021 Census).	No adverse impact anticipated.	Not Applicable	Not Applicable
Sexual orientation	88.95 per cent of residents aged 16 years and over in Plymouth describe their sexual orientation as straight or heterosexual. 2.06 per cent describe their sexuality as bisexual, 1.97 per cent of people describe their sexual orientation as gay or lesbian. 0.42 per cent of residents describe their sexual orientation using a different term (2021 Census).	No adverse impact anticipated.	Not Applicable	Not Applicable

SECTION FOUR: HUMAN RIGHTS IMPLICATIONS

Human Rights	Implications	Mitigation Actions	Timescale and responsible department
	No adverse impact anticipated.	Not Applicable	Not Applicable

SECTION FIVE: OUR EQUALITY OBJECTIVES

Equality objectives	Implications	Mitigation Actions	Timescale and responsible department
Celebrate diversity and ensure that Plymouth is a welcoming city.	No Implications	Not Applicable	Not Applicable
Pay equality for women, and staff with disabilities in our workforce.	No implications	Not Applicable	Not Applicable
Supporting our workforce through the implementation of Our People Strategy 2020 – 2024	No implications	Not Applicable	Not Applicable
Supporting victims of hate crime so they feel confident to report incidents, and working with, and through our partner organisations to achieve positive outcomes.	No implications	Not Applicable	Not Applicable
Plymouth is a city where people from different backgrounds get along well.	No implications	Not Applicable	Not Applicable

EXECUTIVE DECISION

made by a **Cabinet Member**



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L25 23/24

Decision	
1	Title of decision: Local Authority Homes Fund (LAHF) Round 2 delegated authority to allocate funds
2	Decision maker: Councillor Tudor Evans OBE, Leader of the Council
3	Report author and contact details: Jackie Kings, Strategic Manager – Community Connections 01752 305191
4	Decision to be taken: Delegate authority to the Section 151 officer to disperse the LAHF round 2 grant funds to Bournemouth Churches Housing Association.
5	<p>Reasons for decision:</p> <p>The Local Authority Housing Fund is a £500m capital grant fund in financial years 2022/2023 and 2023/2024 to support selected local authorities in England to obtain and refurbish property. Administered by the Department for Levelling Up, Housing and Communities (DLUHC), the fund is designed to provide sustainable housing for those unable to secure their own accommodation who are here under the following schemes:</p> <ul style="list-style-type: none"> • Afghan Citizen Resettlement Scheme (ACRS); • Afghan Relocations and Assistance Policy (ARAP); • Temporary Accommodation for Homeless Families (2 units). <p>Plymouth has accepted a capital grant allocation of £1,020,000 by DLUHC with an expectation to provide 10 homes (2-4 bedrooms) by March 2024.</p> <p>This paper recommends that the Local Authority Fund Allocation is used by BCHA to source, acquire, refurbish and let 10 family homes to the above-mentioned schemes</p> <p>The decision to allocate the capital funding to Bournemouth Churches Housing Association (BCHA) is based on the nature of their organisation and that it is regulated by the Regulator of Social Housing. The organisation is subject to regulation and scrutiny around key areas such as current and future rent levels; building quality and safety and how its properties are let.</p> <p>BCHA have agreed to use best endeavours to deliver ten homes by the 31st of March 2024, at an affordable rent. The timescales have been agreed by DLUHC.</p>
6	<p>Alternative options considered and rejected:</p> <p>This is a variation to decision L19 23/24 which allocated the LAHF round 2 grant and capital borrowing for delivery by Plymouth City Council.</p> <p>BCHA are ahead of schedule in the delivery of LAHF round 1 and are now in a position to deliver LAHF round 2 units of accommodation also, reducing the costs and risk to the Council and the ability to deliver and manage the 10 units of accommodation.</p>

	<p>Officers had consulted a wide range of potential delivery partners including registered providers, social enterprises, B-corps, and social investors.</p> <p>Four organisations sent in financial modelling and expressed an interest.</p> <p>Two social investment companies</p> <p>A privately owned social enterprise</p> <p>They were rejected based on the nature of their organisations and the lack of assurance around maintaining affordable rent levels, housing quality and who the houses could be let to, in the medium to long term.</p> <p>Officers have consulted a wide range of potential delivery partners including registered providers, social enterprises, B-corps, and social investors. No suitable organisations have been found to deliver this programme. The two main reasons given were:</p> <ol style="list-style-type: none"> 1. Not having capacity to buy from the open market and refurbishing properties within the deadline; 2. Financial viability due to current interest rates and grant allocation. 																				
7	<p>Financial implications and risk:</p> <p>Minimal financial risk exists for Plymouth City Council, as the scheme will be fully delivered by BCHA, a traditional registered housing provider and a member of the Plymouth Alliance. There are no penalty clauses for Plymouth City Council within the Memorandum of Understanding with DLUHC.</p>																				
8	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="231 958 715 1509" style="width: 40%;">Is the decision a Key Decision? (Please contact Democratic Support for further advice)</th> <th data-bbox="715 958 810 1048" style="width: 10%;">Yes</th> <th data-bbox="810 958 932 1048" style="width: 10%;">No</th> <th data-bbox="932 958 1505 1048" style="width: 40%;">Per the Constitution, a key decision is one which:</th> </tr> </thead> <tbody> <tr> <td data-bbox="231 1048 715 1218"></td> <td data-bbox="715 1048 810 1218"></td> <td data-bbox="810 1048 932 1218" style="text-align: center;">x</td> <td data-bbox="932 1048 1505 1218">in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total</td> </tr> <tr> <td data-bbox="231 1218 715 1366"></td> <td data-bbox="715 1218 810 1366"></td> <td data-bbox="810 1218 932 1366" style="text-align: center;">x</td> <td data-bbox="932 1218 1505 1366">in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million</td> </tr> <tr> <td data-bbox="231 1366 715 1509"></td> <td data-bbox="715 1366 810 1509"></td> <td data-bbox="810 1366 932 1509" style="text-align: center;">x</td> <td data-bbox="932 1366 1505 1509">is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.</td> </tr> <tr> <td data-bbox="231 1509 715 1637"> <p>If yes, date of publication of the notice in the <u>Forward Plan of Key Decisions</u></p> </td> <td colspan="3" data-bbox="715 1509 1505 1637" style="text-align: center;">N/A</td> </tr> </tbody> </table>	Is the decision a Key Decision? (Please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total			x	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million			x	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.	<p>If yes, date of publication of the notice in the <u>Forward Plan of Key Decisions</u></p>	N/A		
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<p>If yes, date of publication of the notice in the <u>Forward Plan of Key Decisions</u></p>	N/A																				
9	<p>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</p> <p>Providing 8 affordable homes for Afghan refugees and 2 units of temporary accommodation for homeless families:</p> <p>Refurbished to EPC C, aligns with the following PCC policies, plans and priorities:</p> <p>Policy HEA8 of the Plymouth Plan outlines aims to ensure everyone has access to a decent, safe and affordable home, achieved through identifying sites and delivery programmes to develop a range of new and affordable homes to rent and buy.</p> <p>Section 4.71 of the Plymouth Plan further outlines the significant need for more affordable homes in Plymouth.</p>																				

		<p>Policy SPT3 of the JLP makes provisions to deliver 4,550 new affordable homes by 2034. In addition, Policy DEV7 of the JLP outlines the need to ensure there is a broad range of housing available to suit households with specific needs, including large family homes.</p> <p>This project will refurbish properties to an EPC C rating, thereby improving the energy efficiency of homes and supporting plans to improve the energy efficiency of homes in Plymouth as outlined in the Net Zero Action plan. A priority of our Corporate Plan plan involves building more homes that are affordable in the city through our housing partnership agreements with housing associations. Furthermore, the reduction in carbon emissions from housing is outlined as a key measure of success.</p>		
10	Please specify any direct environmental implications of the decision (carbon impact)	<p>Refurbishing 10 homes up to EPC C will improve the energy efficiency of these homes, thereby reducing carbon emissions of these properties, whilst simultaneously reducing fuel poverty/energy costs, and improving tenant comfort. By commissioning these works, we will also support Plymouth's green economy by further stimulating demand for green jobs, skills, products, services and local collaboration.</p>		
Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair Signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
Consultation				
13a	Are any other Cabinet members' portfolios affected by the decision?	Yes	x	
		No		(If no go to section 14)
13b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities)		

13c	Date Cabinet member consulted	27 September 2023						
14	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes						
		No	x					
15	Which Corporate Management Team member has been consulted?	Name	Gary Walbridge					
		Job title	Interim Strategic Director for People					
		Date consulted	9 October 2023					
Sign-off								
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS53 23/24					
		Finance (mandatory)	HLS091023					
		Legal (mandatory)	LS/00001312/1/AC/10/10/23					
		Human Resources (if applicable)	N/A					
		Corporate property (if applicable)	N/A					
		Procurement (if applicable)	N/A					
Appendices								
17	Ref.	Title of appendix						
	A	Briefing report for publication: <i>LAHF2 allocation to BCHA Briefing Report</i>						
	B	Equalities Impact Assessment: <i>LAHF2 EIA</i>						
Confidential/exempt information								
18a	Do you need to include any confidential/exempt information?	Yes						
		No	x	<p>If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below.</p> <p>(Keep as much information as possible in the briefing report that will be in the public domain)</p>				
		Exemption Paragraph Number						
		1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title:							

Background Papers								
19	<p>Please list all unpublished, background papers relevant to the decision in the table below.</p> <p>Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</p>							
Title of background paper(s)		Exemption Paragraph Number						
		1	2	3	4	5	6	7
Cabinet Member Signature								
20	<p>I agree the decision and confirm that it is not contrary to the Council’s policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council’s duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.</p>							
Signature		Date of decision						
Print Name								

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LOCAL AUTHORITY HOUSING FUND 2

Community Connections and Housing Delivery Team



1. EXECUTIVE SUMMARY

Plymouth has been offered and accepted a grant of a capital grant allocation of £1,020,000 by the Department of Levelling Up, Housing and Communities (DLUHC) with an expectation to provide 10 homes (2-4 bedrooms) by March 2024.

- Eight homes for Afghan Families and two homes for Homeless Families (to be used as Temporary Accommodation)

This is broken down to include:

- £1,020,000 to provide 10 homes with a minimum of 2 bedrooms. For each property, 40% of capital costs can be funded through grant plus an additional £20,000 per property for refurbishment costs

2. BACKGROUND

The Local Authority Housing Fund is a £500m capital grant fund in financial years 2022/2023 and 2023/2024 to support selected local authorities in England to obtain and refurbish property. Administered by the Department for Levelling Up, Housing and Communities (DLUHC), the fund is designed to provide sustainable housing for families who would fall into the following categories:

- Afghan Citizen Resettlement Scheme (ACRS)
- Afghan Relocations and Assistance Policy (ARAP)
- Temporary Accommodation for Homeless Families

A number of local authorities have been allocated capital funding under section 31 of the Local Government Act 2003 based on a formula, set out in the LAHF (Local Authority Housing Fund) prospectus.

3. PROPOSED CHANGES AND REASONS

The initial Executive Decision (L19 23/24 Local Authority Homes Fund (LAHF) Round 2) related to the acceptance of the grant on the basis of Plymouth City Council delivery utilising additional service borrowing.

This paper recommends that the Local Authority Fund Allocation is now used by Bournemouth Churches Housing Association (BCHA) to source, acquire, refurbish and let ten family homes to the above mentioned schemes and requires an additional decision to delegate authority to the Section 151 officer to disperse the LAHF round 2 grant funds to BCHA to deliver in line with the memorandum of understanding (MOU) that the Council has entered into with DLUHC..

Initial enquiries with Registered Provider partners to deliver LAHF 2 were not successful. BCHA were already delivering LAHF round 1 on our behalf and were concerned regarding capacity to deliver LAHF round 2.

BCHA have made good progress in delivering LAHF round 1 to date and are now more confident in their capacity to deliver LAHF round 2 also.

BCHA have agreed to use best endeavours as per the MOU to deliver all ten homes by the 31st March 2024, at an affordable rent. The timescales have been agreed by DLUHC.

The MOU sets out the basis for the grant funding and was returned to the Department of Levelling, Housing and Communities by the deadline of 14th September 2023.

BCHA will enter into a grant agreement with the Council to ensure the Council has a mechanism to secure delivery of the homes and/or return of the funding.

The decision to allocate the capital funding to BCHA is based on the nature of their organisation and that it is regulated by the Regulator of Social Housing. The organisation is subject to regulation and scrutiny around key areas such as current and future rent levels; building quality and safety and how its properties are let.

4. ALTERNATIVE OPTIONS

Officers have consulted a wide range of other potential delivery partners including registered providers, social enterprises, B-corps, and social investors. No other suitable organisations can deliver this programme.

The two main reasons given were:

1. Not having capacity to buy from the open market and refurbishing properties within the deadline
2. Financial viability due to current interest rates and grant allocation

PCC have also considered the option of delivering the units however, BCHA delivering these units is by far the best option in terms of managing finance, timescales and risk.

5. FINANCIAL IMPLICATIONS AND RISK

Minimal financial risk exist for Plymouth City Council, as it is anticipated that the scheme will be fully delivered by BCHA a traditional registered housing provider and a member of the Plymouth Alliance. There are no penalty clauses for Plymouth City Council within the MOU should BCHA fail to deliver.

BCHA hold the reputational and financial risk of not being able to deliver the homes within the agreed timescales and financial envelope. There is clear understanding from DLUHC and PCC regarding the best endeavours obligation in the challenging timeframe for delivery.

6. TIMESCALES

- BCHA to use best endeavours to deliver ten family homes to be ready to let by March 2024 .