

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							