

EXECUTIVE DECISION

made by a **Cabinet Member**



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

Executive Decision Reference Number – L02 25/26

Decision	
1	Title of decision: The Warm Homes: Local Grant
2	Decision maker (Cabinet member name and portfolio title): Councillor Tudor Evans OBE, Leader of the Council
3	Report author and contact details: Nicola Turvey, Net Zero Delivery Officer 01752 304118 nicola.turvey@plymouth.gov.uk
4	Decision to be taken: It is recommended that the Leader of the Council: <ul style="list-style-type: none"> • Approves the Warm Homes Local Grant Business Case; • Allocates £2,571,244.90 for the project into the Capital Programme, fully funded by The Warm Homes Local Grant; • Authorises the procurement process; • Delegates the award of the contract to Service Director for Strategic Planning & Infrastructure where they do not already have authority to do so.
5	Reasons for decision: <ol style="list-style-type: none"> 1. Utilise funding to increase the insulation and heating performance, with the aim of reducing the homes heating need and cost to reach a comfortable level of internal warmth, and retain the warmth for longer; 2. Focus the funding on eligible Plymouth residents living in low-income households at risk of, or living in fuel poverty; 3. Use the funding to install effective ventilation measures to reduce internal damp and mould issues; 4. Where it is identified as suitable, to fully funding homes transition from mains gas boilers to air source heat pumps, significantly reducing the homes annual carbon footprint generated from heating.
6	Alternative options considered and rejected: <ol style="list-style-type: none"> 1. To apply for a smaller grant, to treat a smaller number of homes over the 3-year period – this was rejected as Plymouths objective is to secure the maximum grant allocation possible to support, treat and improve as many eligible homes as possible over the next 3 x year period. We also evaluated our internal capacity and staff resourcing in partnership with delivery partner Plymouth Energy Community, and it was agreed between both organisations we have enough resource to deliver the maximum size of scheme available to us. 2. To apply for a larger grant to treat a higher number of homes over the 3 year period – this was rejected as application rules prevented Plymouth from applying for any further funding, and our currently submitted

	<p>Expression of Interest was at the maximum value allowable based on the set calculation of previous best delivery performance over a 6 x month period, and then increased by 10%</p> <p>3. To receive funding for our original bid submission of £11m to treat 770 x homes. Unfortunately, in the grant allocation award letter issued to PCC on 28/02/2025 DESNZ noted that there was a 3-fold oversubscription to access this funding from LA's across England, and total bids received for DESNZ's currently ringfenced £500m warm homes fund, were in excess of £1.7billion. As a result, each Local Authority's Expression of Interest was proportionately scaled down by over 2/3rds. In Plymouth City Councils case we have been allocated 27% of what we bid for.</p> <p>4. Not to participate and deliver this funding – this option is rejected as it is Plymouth City Councils responsibility to ensure this funding can be accessed by our residents; and as a council we have a mature and well developed retrofit delivery team, working cross organisationally with our delivery partner Plymouth Energy Community. Across the 2 x organisations we have embedded a clear process and set of procedures to reach and treat eligible privately owned and privately rented homes across the city. The cross organisational team is competent and skilled to work with each household, each with varying circumstances and needs, to ensure the funding is maximised to best benefit the occupants and use of the home.</p>
7	<p>Financial implications and risk:</p> <p>Capital</p> <p>This grant covers 100% of the capital delivery cost.</p> <p>There will be no capital borrowing or risk request attached to the delivery of this grant.</p> <p>Revenue</p> <p>The grant terms allocate <15% of total grant funding for revenue expenditure. Revenue funding is required to be spent on administration and ancillary resulting from delivering this grant.</p> <p>Financial Year 1- a maximum of £75,300.90 revenue can be allocated to fund PCC staff salary costs. This means there will be a slight shortfall in grant funding to pay for PCC staff salaries, creating a financial risk.</p> <p>It is requested the Revenue Cost Centre GL2265 Retrofit Grant Delivery, which currently holds un-ringfenced funding from previous grant schemes now closed, is agreed to be utilised to support the project delivery staffing costs, mitigating financial exposure or risk of PCC exceeding the grant term that Admin and Ancillary/ Revenue costs must remain at <15%.</p>
8	<p>Legal Implications:</p> <p>1) By letter dated 28 February 2025, the Department for Energy Security & Net Zero (DESNZ) awarded Plymouth City Council £3,024,994 in respect of this matter. Attached to that letter was a 91 page Memorandum of Understanding (MoU) that Plymouth City Council was required to sign and return, signing up to numerous obligations in return for the above funding. Not the least of those obligations is at Paragraph 60 of the MoU on page 22, where it clearly states:</p> <p><i>“Where the Grant Recipient provides any funding to third parties for activities undertaken during the Funding Period, it will ensure that the provisions within this MoU are included in any arrangement with these third parties.”</i></p> <p>The above will need to be done robustly to comply with the MoU and there can be no pushback from third party delivery partners that Plymouth City Council chooses to fund from the above in that respect.</p> <p>2) It is understood that Plymouth City Council's third party delivery partners are likely to be 'Dartmoor Energy Limited (REGISTERED COMPANY NUMBER: 11731406) and 'PEC Trust' (REGISTERED COMPANY NUMBER: 11569012 (England and Wales) / REGISTERED CHARITY NUMBER: 1183711). In the PEC Trust charity's accounts for the year to 30 June 2024 it is stated that:</p>

	Related parties The charity forms part of a family of entities known as Plymouth Energy Community. They comprise of the following; PEC Management Services Limited (Company Limited by shares and wholly owned subsidiary of PEC Trust 14098558) Plymouth Energy Community (Community Benefit Society 32108) PEC Renewables (Community Benefit Society 32286) Ernesettle Community Solar Limited (Company limited by shares and wholly owned subsidiary of PEC Renewables 09892557) PEC Homes (Community Benefit Society 8356) PEC Homes Development Limited (Company Limited by shares and wholly owned subsidiary of PEC Homes 14161512) Chelson Meadow Community Solar (Company Limited by shares and 50% owned by PEC Renewables and 50% owned by Plymouth City Council 15255143)			
Accordingly, close monitoring will be necessary to ensure that no conflicts of interest occur.				
3) It is envisaged that the contracts to facilitate flow down grants from Plymouth City Council to ‘PEC Trust’ and ‘Dartmoor Energy Limited’ will take the form of the MoU between DESNZ and Plymouth City Council, flowed down back-to-back to each of them. If so, it will be important to ensure that any funds released to them do not breach the provisions of the Subsidy Control Act 2022.				
9	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.
	If yes, date of publication of the notice in the Forward Plan of Key Decisions	N/A		
10	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:	Corporate Plan: Delivering the Warm Homes: Local Grant will support the following Corporate Plan beliefs: <ul style="list-style-type: none">• Taking Responsibility – because we care about the impact of this action• Fairness – because we want to address inequality in our city• Co-Operation – because we can achieve more together in working with the residents and our delivery partner to offer the most suitable improvements the funding can provide and the following Corporate Plan priorities: <ul style="list-style-type: none">• Green investment in jobs and skills• Keeping children, adults and communities safe• Trusting and Engaging our communities• Focusing on prevention and early intervention Plymouth Plan: Delivering the Warm Homes: Local Grant will work towards the following Plymouth Plan ambitions: <ul style="list-style-type: none">• Delivering good quality, green homes		

	<p>With linked positive benefits that will feed into:</p> <ul style="list-style-type: none">• Delivering quality services for Plymouth residents• Access to first class health and care – by ensuring residents are progressed into additional health and care support services where a vulnerability is identified <p>Capital Budget:</p> <p>Delivering the Warm Homes: Local Grant will not require any direct capital investment from Plymouth City Council as all capital expenditure will be fully funded by the grant</p> <p>Revenue Budget:</p> <p>Delivering the Warm Homes: Local Grant may require some additional revenue budget to be made available as the grant is set to the ‘In-year’ financial rule, whereby Revenue must remain at or below 15% of the total capital expenditure for that year.</p> <p>As noted in financial risks, the grant may take a few months to mobilise and in this time it is unlikely any capital expenditure will occur, whereas there will be revenue expenditure from staffing and delivery partner costs. It is requested that revenue budget GL2265 Retrofit Staffing Costs remains ringfenced to support the delivery of the funding, to ensure revenue costs have a reserve fund to access should it be required.</p>										
II	<p>Please specify any direct environmental implications of the decision (carbon impact)</p> <p>Overall, this project generates long term positive climate impact in the following areas:</p> <ul style="list-style-type: none">• Biodiversity• GHG Emissions• Renewable Energy• Air Quality• Climate Change Adaptation• Education/ Engagement/ Enabling Conditions <p>Currently there is not a directly positive climate impact to:</p> <ul style="list-style-type: none">• Materials and Waste• Ocean Waterways <p>However, there is the opportunity to use this scheme to steer an improvement in retrofit practise when and where it interacts with these 2 x areas to ensure continual improvement is driven forwards.</p> <div><table><tr><td>1</td><td>Long term or significant negative impact</td></tr><tr><td>2</td><td>Short term or minor negative impact</td></tr><tr><td>3</td><td>No impact or neutral impact</td></tr><tr><td>4</td><td>Short term or minor positive impact</td></tr><tr><td>5</td><td>Long term or significant positive impact</td></tr></table></div>	1	Long term or significant negative impact	2	Short term or minor negative impact	3	No impact or neutral impact	4	Short term or minor positive impact	5	Long term or significant positive impact
1	Long term or significant negative impact										
2	Short term or minor negative impact										
3	No impact or neutral impact										
4	Short term or minor positive impact										
5	Long term or significant positive impact										

Urgent decisions				
I2a	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 I3a)
I2b	Reason for urgency: n/a			
I2c	Scrutiny Chair Signature:		Date	
	Scrutiny Committee name:			
	Print Name:			
Consultation				
I3a	Are any other Cabinet members' portfolios affected by the decision?	Yes	X	
		No		(If no go to section I4)
I3b	Which other Cabinet member's portfolio is affected by the decision?	Councillor Chris Penberthy (Cabinet member for Housing, Co-Operative Development and Communities)		
I3c	Date Cabinet member consulted	19 March 2025		
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		Glenn Caplin-Grey
		Job title		Strategic Director for Growth
		Date consulted		10 June 2025


Sign-off								
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	JS11 25/26					
		Finance (mandatory)	ITG.25.26.015					
		Legal (mandatory)	LS/00001312/1/AC/15/4/25					
		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						
	B	Equalities Impact Assessment						
	C	Climate Impact Assessment						
	D	Warm Homes Local Grant Capital Business Case						
Confidential/exempt information								
18a	Do you need to include any confidential/exempt information?	Yes		<p>If yes, prepare a second, confidential ('Part II') briefing report and 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 in 18b below.</p> <p>(Keep as much information as possible in the briefing report that will be in the public domain)</p>				
		No	X					
		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 I 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

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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.

Signature		Date of decision	30/06/2025
Print Name	Councillor Tudor Evans OBE, Leader of the Council		