

RECORD OF OFFICER DECISION

APPROVAL FOR ACCEPTANCE OF HOME UPGRADE GRANT 2, WORTH UP TO £7.2M

Decision made

To approve acceptance of Home Upgrade Grant 2, worth up to £7.2m

Made by: Terence Herbert, Chief Executive

Background

1. Pursuant to paragraph 4 of Part 3 Section D1, the Directors of Wiltshire Council are empowered to take all necessary decisions in cases of emergency. This decision is being taken by Terence Herbert, Chief Executive, using these powers in circumstances where it is believed that there is a risk that the interests of the Council may be compromised if this decision is not otherwise taken. Due to the short timescales to provide a response, the council would not receive a significant allocation of funding to tackle fuel poverty in Wiltshire if the decision is not taken.

Reason for decision

2. This decision would in other circumstances be taken by Cabinet or a Cabinet Member. However, the council was informed on 14 February 2023 that a decision needed to be made by 17 March 2023. The council sought an extension which was granted only until 23 March. No Cabinet meeting was scheduled or could be arranged in this period.
3. The Chief Executive has consulted with the Cabinet Member for Environment and Climate Change, the Chair of Environment Select Committee and the Chair of Overview and Scrutiny Management Committee in order to ensure that the council can benefit from this significant funding allocation which we need to accept on a short timescale.
4. The Home Upgrade Grant: Phase 2 (HUG 2) is a grant funding scheme of up to £700m launched by the Department for Energy Security and Net Zero (previously known as Department for Business, Energy and Industrial Strategy) to help Local Authorities provide energy efficiency upgrades and clean heating systems to low-income households.
5. The scheme targets the worst performing (energy performance certificate bands D-G) and homes without mains gas central heating in England, with 60% of funding ringfenced for rural LAs. A key focus of the scheme is to phase out the use of fossil fuel heating and make progress towards the UK's 2050 Net Zero commitment. It will also support improved household health and wellbeing by reducing the number of cold homes and play a key role in the government's wider programme of green retrofit.
6. By reducing carbon emissions, stimulating the green economy and tackling the health issues associated with fuel poverty, this funding will support the following business plan missions and guiding themes:
 - The people of Wiltshire are empowered to live full, healthy and enriched lives
 - Our local economy thrives and is supported by a skilled workforce

- We lead the way in how councils and counties mitigate the climate challenges ahead
 - Tackling inequalities.
7. Wiltshire Council has been allocated £3,622,500 of HUG2 funding to retrofit 175 Wiltshire homes over two financial years, 2023-24 and 2024-25. There is flexibility in the allocation, in acknowledgement that the bid was based on a notional average figure for retrofit and that double the amount per home may be required (up to £36k) and that additional homes may be identified for retrofit works. Therefore, subject to staying within set budgets for different archetypes, up to 210 homes may be improved under this funding with a spend limit of up to £7,205,882.
 8. There are 3 stages during the application process. Wiltshire Council has successfully passed the first **outline application stage** where we set out the size of the project; commercial and delivery assurance; and how we plan to target and verify low income households.
 9. The next stage is the **delivery assurance check** where we will be asked to provide evidence on our resourcing and procurement progress to show we have contractors in place to begin delivery and can also revise project delivery forecasts and project plans. We anticipate doing this second stage in summer 2023.
 10. The third stage is the **batch application stage** where we need to submit:
 - housing stock data on homes surveyed
 - the mix of energy efficiency measures and clean heat measures they intend to install
 - the upgrade costs for the batch of homes, including the cost of measures to be installed
 11. This final step is repeated throughout the delivery window, with funding released in batches subject to need.
 12. A new Retrofit Development Manager post, funded by the UK Shared Prosperity Fund, is currently being recruited to, with interviews being held on 21 March 2023. The successful candidate will be able to drive this project forward through stages 2 and 3, with support from the South West Net Zero Hub who are currently delivering HUG1 in Wiltshire and are happy to share their skills and experience. The 15% Administration and Ancillary funding will be used to procure a managing agent and fund 1-2 FTE in-house with the required specialist skills (contract management, quality assurance, compliance etc) to coordinate the project. An upfront payment of £534,060 will be received in April 2023 to assist with project mobilisation.
 13. A delivery partner will need to be procured following our standard procurement processes.
 14. The Chief Executive will sign the Memorandum of Understanding in Appendix 1 and return it to the Department of Energy Security and Net Zero by 23 March 2023.
 15. I confirm that in making this decision I have considered the following in line with Wiltshire Council's Constitution:

Key decision requirements	Due to the urgency set out above, this decision is being taken in accordance with emergency procedures.
Views of relevant cabinet member(s), committee chairman, area board(s)	n/a
Consultation with cabinet member(s), the Leader and Scrutiny (for Executive decisions taken under Emergency Powers)	Have consulted with Cabinet member and Chairs of ESC / O&S Management
Consultation with local members (as appropriate)	n/a
Consideration of the area boards and delegated decision checklist for officers on the issue of when and how to involve local councillors and area boards in decisions about local services	n/a
Implication of any council policy, initiative, strategy or procedure	Decision has been taken in accordance with the council's Climate Strategy.
Consultation in accordance with requirements and expectations of consultation with the public	An embargo is in place by government and consultation has not been carried out for this reason.
Range of options available	To accept or decline the grant.
Staffing, financial and legal implications	<p>Financial implications would be a loss of income of between £3.6m and £7.2m if declined. The bid was signed off by the Deputy S151 officer on 27 January 2023.</p> <p>The Principal Solicitor (Commercial) has reviewed the Memorandum of Understanding and advised it can be signed, noting that while it is not legally binding we will need to ensure compliance in delivering the proposal.</p> <p>A Data Sharing Agreement and Fraud Risk Assessment have been completed and will be returned with the signed MOU.</p>
Evidence of due regard having been given to the Public Sector Equality Duty.	Fuel poverty is a key objective of the grant.

Risk assessment	<p>If the decision is not taken, there is a risk the council will not be able to meet its retrofitting objectives.</p> <p>A risk assessment has been completed as part of the outline bid and this will be refined as part of the Delivery Assurance Check stage, with the benefit of HUG1 delivery experience.</p>
Involvement of statutory officers and/or directors	Consultation with Director of Finance and the Director of Legal and Governance.
Regional or national guidance from other bodies	Guidance for local authorities from the Department of Energy Security and Net Zero is available here .
The council's constitution	Yes
Contract is suitable for execution under the e-signature process	n/a

Conflict of Interest

16. Not applicable.

Other options considered

17. The council could opt to reject this grant, however this would result in a loss of income to Wiltshire and a missed opportunity to further the council's Business Plan objectives.

Made by:



Terence Herbert, Chief Executive

Date:

22nd March 2023

Appendix 1: HUG2 Memorandum of Understanding