

Record of officer decision

Decision title:	Acceptance of Sustainable Energy in Public Buildings (SEPuBu) variation to funding agreement (project extension) from Ministry of Housing, Communities and Local Government (MHCLG)
Date of decision:	9 September 2020
Decision maker:	Marc Willimont, Assistant Director for Regulation, Environment & Waste Services
Authority for delegated decision:	The authority is for the specified officer to take this decision is established under the following: http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50032547
Ward:	Countywide
Consultation:	The project extension proposal was drafted in conjunction with project partners Shropshire Council and Telford & Wrekin Council
Decision made:	Accept (sign) Sustainable Energy in Public Buildings (SEPuBu) variation to funding agreement (project extension) from Ministry of Housing, Communities and Local Government (MHCLG)
Reasons for decision:	<ul style="list-style-type: none"> - The Assistant Director for Regulation, Environment & Waste Services is authorised to accept the ERDF funding and to implement the project in accordance with the original bid and subsequent project change request for a 3 year project extension; - Herefordshire Council have agreed to continue to act as accountable body and lead partner for the sustainable energy in public buildings project for the Marches LEP area up to 31 May 2023. - This project will support energy efficiency refurbishments and renewable installations across Herefordshire and the wider Marches region public buildings as well as supporting the delivery of their carbon reduction and climate change strategies. - The original project supported installations in 17 public buildings and is estimated to have delivered annual energy and greenhouse gas savings of 1.15Gwh and 357 tonnes across the Marches against targets of 1.00Gwh and 328 tonnes CO2 equivalent respectively. - In Herefordshire annual reductions of 0.2 GWh and 60 tonnes CO2e are estimated to have been achieved across 6 buildings from a mixture of solar PV and LED lighting and control installations.
Highlight any associated risks/finance/legal/equality considerations:	<ul style="list-style-type: none"> - MHCLG has allocated £741,228 across the Marches partners for the project; £594,432 capital and £146,796 revenue with match intervention required at 50% for Herefordshire's indicative allocation (circa 33%). This match has been identified through capital budgets and is subject to individual building governance approval.

	<ul style="list-style-type: none"> - It is estimated that energy savings will be equally spread across the Marches LEP areas; this would equate to circa £100,000 energy savings across Herefordshire’s public estate. - The council will continue in the role of accountable body for the Sustainable Energy in Public Buildings grant under the terms of the Principal Funding Agreement signed on 1 March 2017 and updated project specific conditions, expenditure profile and targets as set out in the variation to funding agreement. These are all as proposed by the Council in its application for further funding. - The original agreement clearly sets out what is eligible expenditure for a grant claim and the project specific obligations as well clawback provisions which would allow the Secretary of State to suspend payment of the grant, reduce the maximum sum that can be claimed and cease to make payments in the event of a material default. - The delegated grants team will monitor and manage the financial and grant compliance of the project as well as providing technical and administrative support. This team is experienced in managing a number of European funded projects and programmes. Members of the Sustainability and Climate Change team will also provide the project management function and liaise with project partners. - Applications for funding will be refined through the project steering group and recommendations for approval sought through the project board before senior officer sign-off. - The risk register for the project is a standard agenda item for the project steering group and risks will be escalated as deemed necessary to the project board. - Each grant recipient is required to enter into an agreement having been offered a grant which reflects the terms of the Principal Funding Agreement. This ensures that the council is provided with comfort that its obligations will be met under the Principal Funding Agreement
<p>Details of any alternative options considered and rejected:</p>	<p>Do nothing; by not accepting this funding the revenue savings and associated carbon reduction benefits to the council and partners of the sustainable energy in public buildings project would not be realised. We would therefore be reliant on ad-hoc capital loans to deliver energy retro-fit projects. Due to reductions in public sector budgets and decreased Government subsidies, this is increasingly challenging.</p>

Details of any declarations of interest made:	If any officers or members involved or consulted in the decision-making have declared an interest you should include the declaration here.

Mr Marc Willimont

Assistant Director Regulatory, Environment and Waste