

TRAFFORD COUNCIL

Report to: The Executive Member for Housing and Regeneration
Date: 5th May 2022
Report for: Decision
Report of: Corporate Director Place

Report Title

Public Sector Decarbonisation Scheme 3 (PSDS3) - GMCA Grant Award

Summary

The Council has been allocated grant funding by the Greater Manchester Combined Authority ("GMCA") from the Public Sector Decarbonisation Scheme 3 (PSDS3) to support the delivery of CO² Reductions.

This report seeks approval to enter into a grant agreement with the Greater Manchester Combined Authority (GMCA) to secure grant funds of £5.5m including £291,663 match funding approved from the Leisure Investment Programme to support delivery of Air Source Heat Pumps, Solar Roof Panels and further fabric works within the leisure estate.

Recommendation(s)

It is recommended that the Executive Member:

- i) Approves that the Council enters into a grant agreement with the Greater Manchester Combined Authority in order to access grant funding from the PSDS 3 to support the delivery of the Scheme
- ii) Delegates authority to the Corporate Director for Place, in consultation with the Director of Legal and Governance and Director of Finance and Systems, to agree the terms and conditions of the grant agreement.
- iii) Delegates authority to Director of Legal and Governance to enter into the grant agreement required to finalise the transaction.
- iv) Approves, based on the urgency provisions, that this decision shall not be subject to the call-in process

Contact person for access to background papers and further information:

Name: Chris Jennings

Extension: n/a

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	It supports implementation of the Council's Corporate Plan (2021-24), including the priority to address our climate crisis and making best use of our resources.
Relationship to GM Policy or Strategy Framework	5 yr GM Environment Strategy and the 2022 longer term GM strategy
Financial	The GMCA has agreed to provide grant funding of £5,512,337 to support delivery of CO2 reduction across Trafford, in accordance with the Scheme, subject to a Grant Agreement, which is the subject of this report. The outcomes of the programme will contribute to improved energy efficiencies and associated costs post delivery from March 2023. There are financial risk in achieving the CO2 reduction targets and achieving the funding deadlines which are to be mitigated as set out below in section 4.0.
Legal Implications:	The Council will have to abide by the terms of the grant agreement.
Equality/Diversity Implications	None as a consequence of this report
Sustainability Implications	The scheme is designed to reduce energy demand by replacing the current gas-based system which is operating at 80°C with a new Air Source Heat Pump solution that reduces the optimised flow temps to 45°C.
Climate Change / Carbon Reduction Implications	The Grant has been awarded based the bid to Salix (BEIS Delivery Partner) with a target of reducing the carbon cost per tonne to £325. This scheme is included in Trafford Councils Carbon neutral action plan (refreshed 2022) to include homes, workplaces and buildings.
Resource Implications e.g. Staffing / ICT / Assets	Alliance Leisure have been procured to deliver the scheme within the leisure estate whilst additional PM resource, identified and funded within the grant offer will be procured to support the delivery of additional schemes to be identified.
Risk Management Implications	The delivery of the schemes will be supported by a risk plan setting out the key risks to delivery and proposed mitigation measures.
Health & Wellbeing Implications	None as a consequence of this report.
Health and Safety Implications	None as a consequence of this report.

1.0 Background

- 1.1 In October 2021 the Department for Business, Energy and Industrial Strategy (BEIS) invited applications for Phase 3 of the Public Sector Decarbonisation Scheme. In line with PSDS 1 Trafford application was made submitted via the GMCA.
- 1.2 February 22 Trafford Council received confirmation that the application had been successful and draft Grant Award letter was received April 22.
- 1.3 The purpose of this report is to seek approval to enter into a grant agreement with Greater Manchester Combined Authority (GMCA) to access the PSDS 3 to secure grant monies to implement works at Altrincham Leisure Centre, Urmston Leisure Centre and other buildings to be identified across Trafford that contribute to the decarbonisation of the Trafford estate.

2.0 The Grant and Funded Works

- 2.1 PSDS 3 focuses on the decarbonisation of heat. The programme of works in Trafford will include Air Source Heat Pumps, Roof Solar (PV) Panels and further insulation fabric at Altrincham Leisure Centre and Urmston Leisure Centre.
- 2.2 The GMCA has agreed to provide grant funding of £5,512,337 from PSDS 3 to support delivery of works. The Council has identified £291,663 within the Leisure Investment Capital Programme as match funding.
- 2.3 GMCA have supplied the partner 'Trafford' MoUs (based upon the [Salix PSDS 3 T&Cs](#) for Trafford to enter into a formal arrangement with GMCA and commence delivery of the scheme from 1st April 2022, to be completed by 31st March 2023.
- 2.4 BEIS have requested all successful Phase 3 applicants to curtail from advertising and promotional announcements until they have published all project summaries on the [Gov.uk](#) website. The date has not been confirmed.

3.0 Other Options

The alternative to this proposal would be to do nothing in terms of seeking public funding to assist with Scheme. The Council would not be able to undertake the decarbonisation works.

4.0 Risk

The grant award has a number of conditions that need to be met. The main ones are that appropriate level of CO2 savings are achieved and that schemes are delivered within the prescribed timescales. Failure to adhere to these conditions may results in additional contributions from the Council being required to ensure that CO2 levels are reached as per prescribed targets and that if schemes are not completed on time remaining works are funded will need to be funded from the current approved Capital Programme. The planned schemes are expected to exceed the required CO2

reduction targets, providing a level of risk mitigation and while time pressures will need to be managed carefully these can be mitigated through early procurement and effective project milestone management

5.0 Consultation

5.1 No public consultation is currently required. No planning approval would be required for the Air Source Heat Pumps. Planning approval would be required for the Roof Solar panels. The proposal supports the Council's investment strategy.

6.0 Urgency

6.1 The report is submitted to the Executive Member for Housing and Regeneration on an urgent basis.

6.2 A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.

6.3 This report should be considered as 'urgent business' and the decision exempted from the 'call-in' process for the following reason(s):-

- The deadline for applying for the grant was 6th May. GMCA has agreed to extend this deadline but require the application to be made as soon as possible. A delay of 5 days in implementation of the decision due to call-in would seriously prejudice the successful submission.

6.4 For the same reason the decision cannot be deferred until the next meeting of the Executive and so the decision will be made under Rule 15 of the Council's Access to Information Procedure Rules.

6.5 It is proposed therefore, that the decision contained in this report is therefore deemed to be urgent and cannot be reasonably deferred. It is also proposed that the decision, based on urgency provisions, is not subject to call-in to allow the Council to administer discretionary scheme funds without any delay. to allow the Council to secure the grant funding.

7.0 Reasons for Recommendation

7.1 The Council is required to enter into a grant agreement with Greater Manchester Combined Authority in order to access grant monies to support the immediate implementation of the works which are to be completed by 31st March 23 to avoid additional match funding to complete the programme.

Key Decision

This is a key decision currently on the Forward Plan: Yes
If key decision has 28 day notice been given? No

Finance Officer Clearance: PC
Legal Officer Clearance: TR

CORPORATE DIRECTOR'S SIGNATURE *(electronic)* 

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.