

Project Name	Sustainable Warmth Competition (LAD3)	Project /Programme Manager	Rob Peach	Director	John Sparkes
Programme Name (if applicable)		Service Area Senior Manager	Roy Marston	Investment Plan Ref No (if applicable)	
Service Area	RED	Finance Officer (Engie Officer)	Andrew Brown	Author	Rob Peach
Ward (s)	All Wards	Project Location	Boroughwide		
Date of Gateway 0 Approval	14.10.20	Date of Gateway 1 Approval	14.07.21		
Council Plan & Theme	Our Place	UPRN number (if applicable)			

Gateway 2 (Project Approval and Delivery)

- Purpose of Document:** Spending approval at Gateway 2 must be secured before any capital expenditure is incurred on a programme / project. This template brings together all the information needed for an appraisal and approval to be given. If the request varies from the budget either in terms of expenditure, funding or both you must explain this variance in Section A7. Part A is normally completed by the Programme / Project Manager in consultation with the Engie Finance Officer. Part B should be completed by the Programme / Project Manager
- Complex Projects:** Project Officers need to take particular attention of the more complex (eg Civils) projects that are likely to be in excess of £1m. As such early emphasis should be focused around feasibility, early testing and ground issues, appropriate market expertise and understanding the commercial delivery arrangements for the project.
- Role of Gateway 2 Investment Programme Board:** Officers in both the Strategic Investment & Property Team and the Client Finance Team will complete final checks to confirm that relevant information has been submitted correctly.

PART A	
Guidance	A.1 Project Description
<p><i>Please provide a brief description of the project / programme to clarify the nature of the proposed expenditure (i.e. what are we spending money on and why?). In most cases, the narrative supplied in the Gateway 1 submission will suffice. Provide grant funding source information in Section A8</i></p>	<p>This project is a continuation of the Green Homes Grant Local Authority Delivery Programme (LAD) which will now incorporate an additional scheme, Home Upgrade Grant (HUG) and is known together for the purposes of this scheme as the “Sustainable Warmth Competition” (SWC).</p> <p>The SWC is funding to Local Authorities to help them upgrade energy inefficient homes of low-income households in England. As outlined above the competition encompasses one existing and one new scheme.</p> <p>The Authority have been awarded funding under the Local Authority Delivery Phase 3 (LAD3). No award was given in relation to the HUG scheme.</p> <p>This award is effectively an extension of the Green Homes Grant LAD1b and LAD2 schemes in which the Authority has been successful in securing a total of £4.3 million over the 2 phases.</p>

Eon Energy Solutions are currently on site at locations across the borough installing Solar PV, External Wall Insulation and Air Source Heat Pumps including installation of Solar Panels in Council homes as part of the current roofing programme.

The Authority have been successful in securing £3.7 million to assist in providing 395 energy efficiency measures in private homes. The measures will include:

- External wall insulation – 75
- Solar PV - 110
- Loft insulation top up -110
- Underfloor Insulation – 55
- Hybrid Air Source Heat Pumps – 25
- Smart Heating Controls -20

The funding will support the installation of these qualifying measures to improve the energy efficiency of homes in North Tyneside, reduce carbon emissions and provide a catalyst for improving residential energy efficiency in the borough to achieve our climate emergency aspirations.

Should IPB approve the Gateway 2 then an Urgent Decision Report will be required to ensure the council are able to meet the timescale requirements of the BEIS funding. This request will include authority to accept the grant award, enter into the MOU and to appoint a contractor.

A2. Anticipated Start and Completion Dates

Is there full capital budget provision for whole of project/ programme?	Yes
Is the expenditure profile in each year equal to or less than the Capital Budget profile?	Yes
Have Government/ other funding approvals been secured with proof attached?	Yes
Have the effects of revenue consequences been included in revenue budgets?	N/A
Has a Business Case been completed and signed off?	N/A

A3: Capital Costs							
<p>Please review the figures submitted at Gateway 1 and revise them as necessary.</p> <p>A breakdown of indicative cost is required to ensure that an estimate of the revenue cost of any borrowing can be calculated and fee levels are reasonable. ICT costs must be separately. Advice should be sought from the Corporate Finance team on the requirement to split works costs over component items.</p>	NOTE: Please enter appropriate financial years in the brackets	Year One (20/21)	Year Two (21/22)	Year Three 22/23	Year Four ()	Year Five ()	Total
		£000	£000	£000	£000	£000	£000
	Acquisitions (lands and buildings)						
	Works (split into component parts)			3,145			3,145
	Furniture						
	Vehicles / Plant						
	ICT						
	Fees			555			555
	Other Information <i>If this request is part of a larger budget please supply additional information</i>						
	Total			3,700			3,700
A4. Funding Profile							
<p>Programme / project managers must ensure that reprogramming (slippage) does not create loss of external funding. Proof of application and approval are required in respect of any grants or external funding and should be attached to this submission.</p> <p>This should include any Section 106 or Section 278 planning and developer reference numbers where these are going to be delivered direct via North Tyneside Council.</p>	NOTE: Please enter appropriate financial years in the brackets Add rows if required	Year One (20/21)	Year Two (21/22)	Year Three 22/23	Year Four ()	Year Five ()	Total
		£000	£000	£000	£000	£000	£000
	Council capital resources - Borrowing - Capital receipts						
	Government specific grant secured (please specify funder and source) BEIS Funding			3,700			3,700
	European specific grant secured (please specify funder and source)						
	Funding partner(s) contribution (please specify funder and source)						
	Other capital resources						
	Revenue funding						
	Current capital expenditure request (Total)			3,700			3,700

	If Government / other funding has been secured please provide information.												
A5. Spend Profile													
<i>Please provide the monthly spend profile for the first financial year of the project (split between any component parts of the project)</i>	Project	Month 1 Jan 22	Month 2 Feb	Month 3 March	Month 4 April	Month 5 May	Month 6 Jun	Month 7 Jul	Month 8 Aug	Month 9 Sept	Month 10 Nov	Month 11 Dec	Month 12 Jan
	LAD3	69,468	69,468	69,468	69,468	331,212	331,212	499,044	501,968	437,866	420,620	240,680	134,026
A6. Revenue Consequences													
<i>Please review the figures submitted at Gateway 1 and revise them as necessary. The intention is to confirm consequential changes to the revenue budget arising from the capital spending proposal. Revenue consequences include longer term costs such as renewal of licences and replacement of equipment.</i>	NOTE: Please enter appropriate financial years in the brackets							Year One () £000	Year Two () £000	Year Three () £000	Year Four () £000	Year Five () £000	Total £000
	Employees												
	Running costs												
	Cost of borrowing												
	Total gross expenditure												
	Gross income												
	Net expenditure												
	Existing revenue budget provision												
	Net revenue budget increase (+) decrease (-)												
	Please identify link to the revenue business case, if applicable												
A7. Explanation of Funding / Revenue Consequences (to be aligned with the relevant business case, if applicable)													
<i>Use this section to offer further explanation on funding and expenditure profiles. For example, will funding be provided under Invest to Save? Include a statement to confirm whether adequate revenue budget provision or savings will be sufficient to meet revenue consequences and, if not, how the revenue budget will be brought into balance. If the request varies from the budget either in terms of expenditure, funding or both, you must explain the variance in this section.</i>	The funding must be spent by 31 st March 2023 and households must be eligible (Household income below £30k).												

A8. Known key risks and mitigating actions (please refer to information detailed in Gateway 0 & 1)	
<p><i>This section should highlight any risks associated with this bid. A risk analysis or risk log should be kept and updated regularly. Please detail any mitigating actions that will be put in place in order to manage the risk.</i></p> <p><i>It should also pick up on any information provided at Gateway 0 & 1 with the necessary updates and will prompt us to actively manage risk in advance. Eg commissioning early work on site to improve ground conditions, deal with utilities or tackle party walls etc. This may require a review of currently feasibility funding to make this happen.</i></p>	<p>Risk 1 Delivery Framework/Partner</p> <p>As with rounds LAD 1b and LAD 2 the roll out of this programme will require the procurement of a delivery partner.</p> <p>Work has been ongoing with both Northumberland and Newcastle Councils at the North of Tyne Combined Authority level to develop options for a North of Tyne Procurement Framework. However, this work will not be completed in time to be utilised to appoint a delivery partner for this programme.</p> <p>It is therefore proposed that an existing OJEU compliant procurement framework be utilised to appoint an appropriate delivery partner. Initial examination of existing frameworks by the council's procurement team has highlighted 2 possible frameworks, Fusion 21 and Crown Commercial Services HELGA framework. Meetings have been scheduled with these frameworks and the council's procurement teams to outline the necessary tender , award process and fee structure. A cost allowance is made within the grant award for the utilisation of a framework if necessary.</p> <p>Risk2 Delivery of the Programme</p> <p>The timescales associated with delivery and the lead in times are much more reasonable than both LAD1b and LAD2 delivery. Having already completed measures and completed marketing in these programmes it is anticipated a healthy level of demand will have been generated for the installation of measures.</p>
A9. Exit Strategy	
<p><i>Project Officers are requested to outline within this section the proposals around how the individual project will conclude and the implications, if any, would be required. Particularly if any potential overspend requires additional funding and/or ensuring the conditions of any grants are met.</i></p>	<p>The funding for this project is time limited with all property improvements to be completed by 31 March 2023.</p>

PART B Please provide any relevant changes since submission approval in Gateway 1

B1. Technical Appraisal				
<p><i>This section is presented as a checklist to assist appraisal by the Investment Programme Board (IPB). It is important to note that at this stage, the PID should</i></p>	Technical checklist.		Y / N or N/A	Officer / Member contacted for advice
	a) Has a feasibility study / option appraisal been undertaken?		Y	

<p><i>be signed off by the Service Area Senior Manager but not sent with this document unless requested by the IPB).</i></p> <p><i>Much of the information may already be contained on the Gateway 1 form and you may simply need to update the information</i></p> <p>Please provide any relevant changes since submission approval in Gateway 1.</p> <p><i>Facilities management (FM) normally becomes operational following handover. Activities might include any or all of the following: statutory and good practice maintenance (usually mechanical and engineering work), building fabric and finishes maintenance (to maximise lifespan and performance), lifecycle replacement for each component (costed over 25 years), reactive maintenance (breakages and repairs), cleaning to agreed standards and grounds maintenance.</i></p>	b) Has procurement advice been sought?	Y	Denise Pearson
	c) Has legal advice on contracts, liability and insurance been sought?	Y	Jaime Hall
	d) Has advice been sought on access design under the Equality Act 2010 and Designing for Access (DfA2)?	NA	
	e) Does the project lead to an asset disposal? Has this been discussed with the Strategic Property Manager?	N/A	
	f) Are there any known planning and building control restrictions or issues?	N	
	g) Have the Highways Section been consulted regarding highways and transport implications?	N/A	
	h) Have ICT been consulted re ICT Strategy and data security aspects?	N/A	
	i) Have key stakeholders / delivery partners confirmed their agreement in principle?	Y	
	j) Have the Environmental Sustainable Development Team been consulted?	Y	Paul Nelson
	k) Has a high-level risk assessment or risk workshop been undertaken?	Y	
	l) Has an exit strategy been developed? Complete Section A9	Y	
	m) Has an Equality Impact Assessment been completed?	N	
	n) Are there any likely carbon impacts of the project?	N	
	o) Are there appropriate Communications and engagement proposals in place?	Y	
	p) Where relevant details of stakeholder approvals sighted <i>Please provide information.</i>		
	q) Has assessment of any VAT implications been undertaken with the Engie Officer?	Y	
	r) Have the facilities management arrangements been established? (if no state reasons why)	N/A	

Submission Sign Off for Parts A and B.			
<p><i>Insert the relevant name and the date of their sign off.</i></p> <p>Please note:</p> <p><i>A signed off hard copy of this submission must also be provided to the Client Finance Manager for sign off by the</i></p>	Client Finance Manager	Cathy Davison	
	Engie Finance Officer	Susan Borthwick	

Head of Finance. <i>If there are any changes to this electronic submission a revised submission with a new version number must be provided. The hard copy must be the same as the latest version of the electronic copy</i>	Service Area Senior Manager	Roy Marston	
	Director	John Sparkes	
	Director of Resources	Cathy Davison on behalf of Janice Gillespie	
	Cabinet Member		

To be completed by Strategic Investment and Property Team only	
Outcomes	Investment Programme Board Scrutiny
Decision	<i>Approved, deferred or rejected</i>
Date of Decision	
Observations	
Decision communicated to:	
Further information and advice	

Please return completed form to the Strategic Investment & Property Team