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North Tyneside Council

Report to The Elected Mayor

Date: 22 February 2024

Title: Urgent Decision Report – Grant Acceptance

Portfolio(s): Climate Emergency	Cabinet Member: Cllr Sandra Graham	
Report from Service		
Area:	Environment Resources	
Responsible Officer:	Sam Dand, Director of Environment	Tel: (0191) 643 3442
	Jon Ritchie, Director of Resources	Tel: 07581 045261
Wards affected:	Riverside	

PART 1

1.1 Executive Summary:

In July 2019 full Council declared a Climate Emergency, and subsequently, in further acknowledgement of the gravity and urgency of the Climate Emergency, the refreshed Our North Tyneside Council Plan 2021-25, approved by full Council in September 2021, included the following ambition: -

“We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside Carbon Net-Zero by 2030.”

Significant progress has been made in reducing the Authority's carbon footprint and decarbonisation of heat is a key strategic objective of the Carbon Net Zero 2030 Action Plan.

The Authority has successfully applied for a capital funding grant to support heat decarbonisation in North Shields Customer First Centre and is required to confirm acceptance of this grant.

1.2 Recommendation(s):

It is recommended that the Mayor:

- (1) Notes the background and rationale of this Urgent Decision Request; and
- (2) Authorises the Director of Resources to accept the grant offer and to sign the *Grant Offer Letter appended to this report on behalf of the Authority.

1.3 Forward Plan:

It has not been practicable to give twenty-eight days' notice of this report. However, it is required to be considered without the twenty-eight days' notice being given due to the very short response time to acknowledge acceptance of a grant award given to the Authority by central government.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2021/25 Our North Tyneside Plan:

We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside carbon net-zero by 2030.

1.5 Information:

1.5.1 Background

The Authority has made significant progress in reducing the carbon footprint of its operations. For the reporting period 2022/23, the Authority's carbon footprint is down by 58% against baseline year 2010/11.

There has been a long-standing focus on reducing electricity consumption in Authority buildings and across the street lighting portfolio, and electricity reduction capital projects have been prioritised for environmental, economic and technical reasons.

Consequently, the carbon footprint of electricity consumption has reduced by 77%. This has also been aided by the wider decarbonisation of the national grid.

Although gas consumption has been reduced by 23%, including through recent projects to replace gas boilers with air source heat pumps at Hadrian and Lakeside Leisure Centres, gas consumption now accounts for 45% of the Authority's carbon footprint. Heat decarbonisation is a key strategic priority within the Authority's Carbon Net Zero 2030 Action Plan.

1.5.2 Public Sector Decarbonisation Scheme Grant Funding

To support the decarbonisation of heat in public buildings, the Department for Energy Security and Net Zero (formerly the Department for Business, Energy and Industrial Strategy) has established the Public Sector Decarbonisation Scheme (PSDS). This financial support is managed by 'Salix' which is a non-departmental public body, owned wholly by Government.

The Authority has previously been successful in securing PSDS grant funding to support heat decarbonisation in Hadrian Leisure, Lakeside Leisure, Tynemouth Pool and Waves.

In late 2023, the Authority applied for the latest round of PSDS grant funding to support heat decarbonisation in North Shields Customer First Centre and the Killingworth Customer First Centre.

The Authority has been offered a capital grant to the value of £0.567m from the PSDS to support the decarbonisation of heat in North Shields Customer First Centre. The outcome of the PSDS bid for Killingworth Customer First Centre is still pending.

The PSDS grant will enable the Authority to replace gas boilers at the North Shields Customer First Centre with air source heat pumps, reducing the carbon footprint of the building by almost 50%.

The Authority has been given a short time window of time to formally accept the grant award, namely, Thursday, 22 February 2024. It is not therefore

possible to obtain from Cabinet formal approval to the acceptance of this grant in this very short period of time. It has therefore been necessary, in accordance with the Authority's Constitution, to seek the acceptance of the grant by way of an urgent decision. If the Department for Energy Security and Net Zero does not receive notification of the acceptance of the grant by 22 February 2024 the Authority will lose the opportunity of securing grant funding of £0.567m and the clear benefits that this will bring by reducing carbon emissions.

1.6 Decision options:

The following decision options are available for consideration by the Mayor

Option 1

To approve the acceptance of the Salix PSDS Grant.

Option 2

To not approve the acceptance of the Salix PSDS Grant.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Heat decarbonisation is a key strategic priority within the Authority's Carbon Net Zero 2030 Action Plan and acceptance of this grant will support the Authority in decarbonising heat and working towards its ambitions to meet the Carbon Net Zero 2030 target.

1.8 Appendices:

*Appendix : Grant Offer Letter

1.9 Contact officers:

Paul Nelson, Head of Environmental Sustainability, tel. (0191) 643 6467

Iain Betham, Head of Estates, tel. (0191) 643 8092

Wayne Stark, Manager Investment & Asset Management, tel. 07971091370

Michael Keenlyside, Senior Environmental Sustainability Officer, Tel. (0191) 643 6505

David Dunford, Senior Business Partner, Strategic Finance, Tel. (0191) 643 7027

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) [Carbon Net-Zero 2030 Action Plan](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Authority has been offered a capital grant to the value of £0.567m from the Public Sector Decarbonisation Scheme to support the installation of low carbon heating in North Shields Customer First Centre.

As part of the PSDS bid the Authority included a potential match funding contribution of £1.236m. However following submission of the grant bid further survey work was done to refine the scope of required works for supporting infrastructure and the match funding required is now £0.600m. The level of match funding required does not impact on the value of the grant offer.

Appropriate funding has been identified within the Authority's Capital Plan 2024-28 "Climate Change" allocation to meet the match funding requirement.

2.2 Legal

Ordinarily decisions to be taken by the Authority or its officers appear on the Authority's Forward Plan at least 28 days before the decision is taken. This is to promote open and transparent decision-making.

However, it is recognised in the Constitution at Part 4.8 'Urgent Decisions' that on occasions there are circumstances in which a decision needs to be taken because of special urgency and that on such occasions if a decision needs to be taken with less than 5 clear days' notice of the decision appearing on the Forward Plan certain criteria must be met. Those criteria are that the Chair of the Overview, Scrutiny Co-ordination and Finance Committee, the Chair of Council (or Deputy Chair in the Chair's absence), the Chief Finance Officer and the Monitoring Officer must agree that there is special urgency for the decision to be taken immediately and for the decision not to be subject to call-in. Such agreements have been obtained and recorded.

The terms of the *grant funding agreement with Salix are typical for agreements of this nature. Whilst the agreement imposes various obligations on the Authority relating to the works, including around accounting, record keeping and monitoring during and after the project, these requirements are considered by officers to be achievable. Payment is subject to eligible expenditure being incurred and the project being completed prior to the grant end date of 31 March 2026. Any changes to the project must be agreed with Salix. As the Authority will be receiving and spending the grant there are no subsidy control issues engaged.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The project has been developed in collaboration with the Authority's Carbon Net Zero Board, co-chaired by the Director of Environment and Cabinet Member for Climate Emergency and the Authority's Investment Programme Board.

2.3.2 External Consultation/Engagement

Heat decarbonisation is a key strategic priority of the Authority's Carbon Net Zero 2030 Action Plan which has been shaped by a range of external consultation and engagement. This includes key stakeholder engagement workshops, a 'Call for Evidence' event, working with our young people, the Authority's Resident's Survey, the Borough-wide Climate Emergency Board and North of Tyne Combined Authority (NoTCA) Citizens Assembly on Climate Change.

2.4 Human rights

There are no impacts on human rights from this report.

2.5 Equalities and diversity

There are no impacts on equalities and diversity from the content of this report.

2.6 Risk management

Delivery of the project will be managed within the Authority's risk management framework.

2.7 Crime and disorder

There are no impacts on crime and disorder from the content of this report.

2.8 Environment and sustainability

The grant funding and heat decarbonisation of North Shields Customer First Centre supports the Authority's Carbon Net Zero 2030 policy ambitions.

PART 3 - SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X