

URGENT DECISION MADE BY THE CHIEF EXECUTIVE ON BEHALF OF COUNCIL

COUNCIL PROCEDURE RULE 1.76

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The Constitution provides for Urgent Decisions taken outside of meetings. The definition of an Urgent Decision is set out in Council Procedure Rule 1.75, which states:

“A decision will be urgent in the case of: civil emergency, natural or man-made disaster; matter of serious public health; matters regarding safeguarding of people; or where the Council is at risk of serious reputational damage; loss or claims; or any other matters where the Chief Executive or in his/her absence the Chief Finance Officer has declared that an urgent decision is required to protect the interests of the Council.”

The Constitution provides that, if a decision would normally be required to be made by full Council and has to be decided before the next meeting of the Council, the decision may be made by the Chief Executive or in his/her absence the Deputy Chief Executive (or in their absence the Chief Executive’s nominee) in consultation with Group Leaders and the Mayor (or in his/her absence the Deputy Mayor) subject to the following requirements being met:

- The decision-maker is satisfied the matter is urgent and cannot await the next meeting of the Council, or an urgently convened Council meeting.
- The decision is reported for information to the next available meeting of the Council.
- The provisions of the legislation are complied with.
- Advice has been taken from the Chief Executive, Monitoring Officer and Chief Finance Officer.
- All members of the Council are notified of the decision taken by electronic means.

Member Engagement

The Matter was raised with the Carbon Members Advisory Panel on 7th March 2024. This is a cross party member group who are provided with regular updates across the carbon programme, and who provide an input into decisions being considered.

Public Sector Decarbonisation Scheme Grant

The proposed decision will allow the council access to Public Sector Decarbonisation Scheme phase 3C grant funding of £1,449,274 to fund carbon reduction measures for Municipal Building Crewe, Knutsford Leisure Centre, Nantwich Library and Congleton Library.

Phase 3C of the Public Sector Decarbonisation Scheme opened on 10th October 2023. Cheshire East has already received grant funding totalling £14.8 million for projects in phase 1, 2 and 3 of the scheme, which are currently complete or underway.

Government states with regard to the scheme “Reflecting the importance of the public sector's role in meeting the Government's commitment to Net Zero by 2050, the Net Zero Strategy and Heat and Buildings Strategy have confirmed that Phase 3 of the Public Sector Decarbonisation Scheme will receive £1.425 billion of funding over the period 2022/23 to 2024/25”.

Purpose of the grant

In October 2023 Cheshire East Council put forward a bid for £1,449,274.00 to fund energy efficiency measures to four council buildings, Crewe Municipal Building, Knutsford Leisure centre, Nantwich Library and Congelton Library; including roof insulation, photovoltaic panels, low energy demand lighting and air source heat pumps.

The multi-year application provides for the projects to be fully developed in 2024/25 and the capital works carried out in 2025/26. There is a required match funding element of £223,000 which will not be required until the end of the project and will only be required to match such grant funding as the council chooses to spend.

It is a requirement of the grant that all measures have a demonstrable carbon benefit and all equipment to be replaced is nearing end of life. The grant will therefore provide funding towards low carbon replacement of old equipment.

Legal considerations

The grant is being made available by Salix Finance, enabling monies having been received by Salix Finance from the Department for Energy Security and Net Zero. The Legal Team have reviewed the grant terms, which are drawn in a way that is standard to government funding of this nature.

Specific attention is drawn to the following:

- Payment of the Grant monies will only be made in respect of Eligible Expenditure in accordance with Project Programme (specific items).

- Salix Finance may reduce, withhold or suspend and/or require repayment of all/part of the Grant (“Misuse Sanction”) under a clause which sets out standard provisions which are in the main look to police misuse of funding. Attention is drawn to particular provisions which allow the Misuse Sanction to be applied if:

- i) the Grant is used for purposes other than that for which the Grant was awarded, project is delivered negligently or not in accordance with programme; or

- ii) delivery of project doesn't start within six weeks of project start date, without reasonable explanation

- It should be noted that if the Council accepts the Grant, it is deemed to warrant “that since the date of its last accounts, there has been no material change in its financial position or prospects that may adversely affect the Council’s ability to deliver the project in accordance with the Project Programme/Grant Application/Agreement”. If there are any concerns regarding the viability of the project, then the Council may wish to consider disclosure as against this warranty, though the corollary of making such a disclosure is likely to be the withdrawal of the offer. The Council in essence needs to be confident that it has sufficient funding to deliver the project,

Cheshire East Grant:

£1,449,274

In order to draw-down the funding, the Council will need to complete the individual projects by 31/03/2026 and provide match funding for each project. Cheshire East has a track record of achieving this for grants already received for phase 1 and 2 and is on track to deliver projects under phase 3 administered under the same terms.

The money will be spent as part of the Council’s facilities capital budget in 2025 – 2026.

The reasons for urgency are as follows:

To formally accept the grant, an officer must be authorised to sign the offer agreement within 10 business days of receipt of the formal offer documentation.

The required decision would normally be made by Full Council, given the quantum of grant in question.

Relevant documentation is appended to this decision.

The documentation must be signed and returned to SALIX acting for the Department for Business, Energy and Industrial Strategy by 31st March 2024, or the funding will be at risk.

Advice has been taken from the following Officers:

- (1) Section S151 Officer (Director of Finance and Customer Services)
- (2) Deputy Monitoring Officer

Their comments have been taken into consideration in producing this decision form. This decision is subject to the relevant provisions of the Council's Constitution.

DECISION

To accept £1,449,274 from the Public Sector Decarbonisation Scheme Grant from the Department for Business, Energy and Industrial Strategy (BEIS) for further decarbonisation of Council buildings.

That a supplementary capital estimate be made for the 2024-26 Financial years, this to be funded from the Public Sector Decarbonisation Scheme Grant.

To authorise the Director of Growth and Enterprise to sign the grant offer agreement with Salix Finance on behalf of the Council and direct that he does the same.

Signature of Chief Executive:

Signed:

A handwritten signature in black ink that reads "Rob Polkinghorne". The signature is written in a cursive style with a long, sweeping tail on the letter 'e'.

Chief Executive

Date: 26 March 2024