



**Reading**  
Borough Council  
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## DECISION BOOK

**Issue: 627      Date: 26 MARCH 2021**

Decisions set out in the book have been made under delegated powers by the Chief Executive, Executive Directors or the Chief Finance Officer and Monitoring Officer, in consultation either with the relevant committee or Lead Councillor.

The Decision Book process has been altered to suspend the current Councillors' call-in arrangements within the 10-day period after its publication and replace it with the ability during that period for three Councillors to request a retrospective review of the decision in writing to the Head of Legal and Democratic Services.

The decision book can be accessed on the Council's website - <https://democracy.reading.gov.uk/mgListOfficerDecisions.aspx?bcr=1&BAM=0>

The officer reports accompanying the decisions are attached.

<b>Contact:</b>	<b>Richard Woodford</b>	<b>Committee Services</b>
<b>Tel:</b>		<b>0118 937 2332</b>
<b>e-mail:</b>		<a href="mailto:richard.woodford@reading.gov.uk">richard.woodford@reading.gov.uk</a>

## DECISION BOOK - ISSUE 627 - 26 MARCH 2021

### 1. PUBLIC SECTOR DECARBONISATION SCHEME GRANT OFFER

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
1. PUBLIC SECTOR DECARBONISATION SCHEME GRANT OFFER	COUNCILLORS PAGE AND PEARCE	BOROUGHWIDE	1

This report sets out the decision to accept a grant offer of £1.293m from Salix under the Public Sector Decarbonisation Fund Scheme (PSDS) for school window replacement projects, requiring provision of match funding of £1.184m from approved from DFE grant funded capital scheme for School Condition works in 2021/22.

It is the decision of the Executive Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport and Deputy Chief Executive:

- (i) Accept a Public Sector Decarbonisation Scheme grant offer of £1.293m with associated conditions, including provision of match funding of £1.184m and
- (ii) Allocate spend in line with the delegation approved by Policy Committee on 18 January 2021 (minute 85 refers), to enable delivery of school windows replacement projects and achieve the carbon and cost savings arising from the programme.

## READING BOROUGH COUNCIL

### REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR PAGE - LEAD COUNCILLOR FOR STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT</b>		
	<b>COUNCILLOR PEARCE - LEAD COUNCILLOR FOR EDUCATION</b>		
<b>DATE:</b>	<b>26 MARCH 2021</b>		
<b>TITLE:</b>	<b>PUBLIC SECTOR DECARBONISATION SCHEME GRANT OFFER</b>		
<b>SERVICE:</b>	<b>REGENERATION &amp; ASSETS</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>AUTHOR:</b>	<b>LINDA CHURCH</b>	<b>TEL:</b>	<b>X73860</b>
<b>JOB TITLE:</b>	<b>EDUCATION ASSETS MANAGER</b>	<b>E-MAIL:</b>	<b><a href="mailto:Linda.church@reading.gov.uk">Linda.church@reading.gov.uk</a></b>

#### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision to accept a grant offer of £1.293m from Salix under the Public Sector Decarbonisation Fund Scheme (PSDS) for school window replacement projects, requiring provision of match funding of £1.184m from approved from DFE grant funded capital scheme for School Condition works in 2021/22. It also allocates spend so that the project can commence with a view to meeting the grant condition that all works be completed by the end of September 2021. The PSDS Scheme was heavily over subscribed and it is an achievement to have been successful with this our bid submission.
- 1.2 Many of Reading's schools have significant maintenance needs, including a number whose windows are due for replacement. Poor quality windows are one of the key means by which heat escapes from school buildings, and their replacement with modern, efficient fittings can therefore reduce heat loss, cut school energy bills, improve the school environment for students and staff, and deliver carbon savings. RBC receives grant funding for school condition works of c£2m per annum. The offer of an additional PSDS grant of £1.293m, to be spent on school window replacements by end of September 2021, therefore represents a significant injection of resource to the school condition programme and enables a marked acceleration of the windows replacement programme.
- 1.3 Acceptance of the grant will, however, require some re-programming of school condition works to enable the match funding to be identified within the necessary timeframe which should be achievable without deferring urgent or health and safety compliance projects.

## 2. DECISION

2.1 It is the decision of the Executive Director of Economic Growth & Neighbourhood Services, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport and Deputy Chief Executive:

- (i) accept a Public Sector Decarbonisation Scheme grant offer of £1.293m with associated conditions, including provision of match funding of £1.184m and
- (ii) allocate spend in line with the delegation approved by Policy Committee on 18 January 2021 (minute 85 refers), to enable delivery of school windows replacement projects and achieve the carbon and cost savings arising from the programme.

## 3. POLICY CONTEXT

3.1 RBC's Climate Emergency declaration of February 2019 committed the Council to work towards the goal of a carbon neutral Reading by 2030 and highlighted the need for resources to be made available nationally to deliver this ambition. During the course of 2020 government announced a number of low carbon grant schemes, for which it was clearly in the Council's interests to apply.

3.2 A report to Policy Committee on 18 January 2021 summarised a number of external funding applications to low carbon grant schemes which had been made or which were planned at that point, in line with the requirements in the Council's constitution relating to funding applications. These included an application to PSDS for a programme of school window replacement projects. The Policy Committee agreed a recommendation giving delegated authority to the Executive Director DEGNS, in consultation with Lead Member and Executive Director, Resources, to give approval to spend on any successful grant application to enable tight delivery timescales to be met.

3.3 The school windows replacement project application was initially for £3.523m and RBC was ultimately offered a grant of £1.293m on condition of providing match funding of £1.184m on a scaled back project with total value of £2.477m. A match funding requirement was not envisaged in the original bid, but sufficient potential match funding has subsequently been identified within an approved capital scheme for school condition works, enabling the grant to be accepted.

## 4. THE DECISION

4.1 **Current Position:** many of Reading's schools have significant maintenance needs, including a number whose windows are due for replacement. Poor quality windows are one of the key means by which heat escapes from school buildings, and their replacement with modern, efficient fittings can therefore reduce heat loss, cut school energy bills, improve the school environment for students and staff, and deliver carbon savings. RBC receives grant funding for school condition works of c£2m per annum. The offer of a PSDS grant of £1.293m, to be spent on school window replacements by end of September 2021, would therefore represent a significant injection of resource to the school condition programme, and enable a marked acceleration of the windows replacement programme.

**4.2 Options Proposed:** it is proposed to accept the grant to enable the school window replacement programme to be accelerated. To find the match funding necessary to claim the grant will, however, require some re-prioritisation of the school condition programme for 2021/22. RBC's school estate team has therefore reviewed the programme to identify urgent and health and safety compliance work which could not be reasonably deferred, and other work which can reasonably be re-programmed or deferred to future years.

Original 21/22 condition programme		Proposed 21/22 condition programme to allow match funding	
3 schools pitched roofs	£855,000	3 schools flat roof projects (urgent only)	£713,000
3 schools' flat roofs	£850,000	1 windows project	£120,000
1 windows project	£120,000		
<b>Total</b>	<b>£1,825,000</b>	<b>Total</b>	<b>£833,000</b>

\* The window project included in the table above requires historic buildings consent and was therefore not included in the Decarbonisation bid as it could not be completed for Sept 2021

RBC Annual Schools Fabric Condition Budget - £2 million  
 Required Match Funding - £1.184 million  
 Available Match funding with revised programme - £1.167 million

This leaves a small notional shortfall of £17k but savings are anticipated in procurement which would bring the actual cost under the estimated cost when they are tendered. If any urgent unexpected issues arise with school condition then, in discussion with Finance colleagues, we have identified scope to make a temporary virement of funds from approved RBC energy efficiency capital budgets to enable the match funding to be provided, to be refunded from the school condition budget subsequently.

The original programme included 3 pitched roofs, however due to the requirement for bat surveys within the summer months, the likely start on site dates would have been from September 21 onwards. By pushing the start date back to the following financial year to make match funding available for the windows replacement projects, we would have the added benefit of improved summer weather. Two of the flat roof projects will continue as planned, with the third project reduced to include only the urgent works, with the remaining roofs picked up next year (2022/23).

BfC have been briefed and are in agreement with this option

**4.3 Other Options Considered:** the alternatives considered were: (i) decline the grant offer - this would have increased capital costs to RBC of necessary school window replacements, and slowed down delivery of the programme and associated benefits in terms of energy, cost and carbon savings and (ii) return part of the grant to reduce the match funding contribution accordingly - this, while possible, would have proportionately reduced the speed at which the window replacement programme could be taken forward, with a proportionate reduction in the associated benefits, which we are keen to avoid for the reasons set out above.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1 The decision aligns with the Council's Corporate Plan 2021/22 as adopted by Council on 23 March 2021, specifically in relation to the following objectives:

- Healthy Environment: this emphasises our commitment to tackling climate change - the decision will make a clear and significant contribution to our carbon reduction efforts in Reading
- Thriving communities: this emphasises our commitment to improving life chances for all - the decision will do so by improving the learning environment in schools as well as reducing school running costs

## **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). The decision is designed to maximise the scope for, and the speed of, the replacement of older, inefficient windows in Reading's schools with newer, more energy efficient ones, resulting in an estimated saving of 57.5 tonnes of CO2 p.a., over 1% of the total for the school estate. In doing so it will accelerate Reading's carbon reduction efforts.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

7.1 There are no specific consultation requirements arising from this decision although public consultation on the Reading Climate Emergency Strategy conducted from March to June 2020 highlighted the importance of retro-fitting buildings across Reading to high standards of energy efficiency. The decision is therefore in line with the conclusions of this consultation.

## **8. EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact Assessment (EIA) is not relevant to the decision.

## **9. LEGAL IMPLICATIONS**

9.1 Policy Committee approved a recommendation on 18 January 2021 'That the Director of Economic Growth & Neighbourhood Services, in consultation with the Executive Director of Resources and the Lead Councillor for Strategic Environment, Planning & Transport, be authorised to spend any grant monies received from the Public Sector Decarbonisation Fund'. While this decision remains within both the letter and the spirit of this delegation, a Decision Book report is being completed because the terms of the grant offer, particularly in relation to match funding, were ultimately different to those envisaged in and described in the report.

## **10. FINANCIAL IMPLICATIONS**

10.1 See 4.1-4.2 above and attached template.

## **11. BACKGROUND PAPERS**

11.1 Policy Committee Report on 'External Funding Applications', 18 January 2021.

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**REPORT TEMPLATE**

**FINANCIAL IMPLICATIONS**

The financial implications arising from the decision set out in this report are set out below: -

**1. Revenue Implications**

Use this Table in the report or as an Appendix to set out the revenue implications:

	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Employee costs (see note1) Other running costs Capital financings costs	n/a	n/a	n/a
<b>Expenditure</b>	n/a	n/a	n/a
Income from: Fees and charges (see note2) Grant funding (specify) Other income	n/a	n/a	n/a
<b>Total Income</b>	n/a	n/a	n/a
Net Cost(+)/saving (-)	n/a	n/a	n/a

**2. Capital Implications**

<b>Capital Programme reference from budget book: page line</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>
Proposed Capital Expenditure	2,477	0	0
Funded by		0	0
Grant (Public Sector Decarbonisation Scheme)	1,293		
Match funding from School Condition budget	1,167		
Match funding (if required) from RBC energy efficiency capital budgets (virement to School Condition budget in 2021/22 to be refunded in 2022/23)	17		
<b>Total Funding</b>	<b>2,477</b>	<b>0</b>	<b>0</b>

**3. Value for Money (VFM)**

The grant offer would effectively contribute 52% of the cost of window replacement projects which would otherwise have to be funded 100% by RBC. The project is being delivered on RBC's behalf by Hampshire Property Services who are delivering a similar project on behalf of Hampshire County Council thus offering scope to maximise value for money through procurement by using their significant purchasing power to this end.

#### **4. Risk Assessment.**

The key financial risks arising from the decision are associated with the delivery of the project by the end of September 2021 which is a condition of receipt of the grant funding. While challenging, tight project governance, regular monitoring and priority placed on these projects by the team will be in place to help mitigate the risks as far as possible. Any unspent grant, however, can be repaid to if projects cannot be undertaken in time at no risk to the Council. Salix has indicated that if projects are 'on site' but not fully completed they would be reasonable in these circumstances.

A secondary risk arises from the potential virement of RBC capital funds in the short-term to supplement school condition capital funds to provide match funding for the project, to be repaid in 2022/23 from that year's tranche of school condition grant. If the school condition grant were to be substantially reduced in 2022/23, this could put at risk the ability to refund RBC capital funds as proposed. However, this risk is considered low given the national priority attached to school condition works, and the amount in question (c£17k) is modest in the context of the overall scale and benefits of the programme.