

Greater Manchester Combined Authority

Date: 12 July 2024

Subject: Low Carbon Skills Fund Opportunity

Report of: Councillor Tom Ross, Portfolio Lead for Green City Region and Sue Johnson, Portfolio Lead Chief Executive for Green City Region

Purpose of Report:

To outline the funding opportunity to support further Greater Manchester (GM) public building retrofit activity, through the Public Sector Low Carbon Skills Fund Phase 5 (LCSF 5) via Salix Finance. The funding will support further feasibility and design studies to assess the potential retrofit of 36 public sector buildings in Greater Manchester.

The paper provides background information and seeks the necessary approvals, if successful, to defray the funding on behalf of the city-region to complete the subsequent activities.

Recommendations:

The GMCA is requested to:

1. Note the bid for circ. £1m from Salix under the Low Carbon Skills Fund Phase 5.
2. Subject to a successful award, approve the receipt and defrayment of Low Carbon Skills funding, as set out in the Report
3. Note that the impact assessment reveals a positive impact for both environment and economy outcomes.

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TRAFFORD
WIGAN

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

To note that the impact assessment reveals a positive impact for both environment and economy outcomes.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation	G	The proposal is for funding to identify opportunities to reduce the impact of our public sector buildings on our environment and make them more resilient to the impacts of climate change. The proposal seeks to identify opportunities to reduce the environmental impact of our public sector buildings.
Housing		
Economy	G	The funding if awarded is proposed to be spend on technical consultancies including those from across the region, potentially supporting local jobs. This funding may support and secure local jobs. The information gained through the feasibility studies and knowledge from the improvements made to our buildings will be captured and used to inform future decarbonisation strategies for our buildings. The activity undertaken through this proposal will help to provide further evidence to support a long-term programme for investment in decarbonising our buildings and infrastructure, which will need to attract inward investment to deliver.
Mobility and Connectivity		
Carbon, Nature and Environment	G	The proposal seeks to identify opportunities to implement energy efficiency measures and removal of gas boilers and replaced with other forms of low-carbon heating to reduce emissions and improve air quality. As above.
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		The proposal is to undertake surveys and design work to identify a pipeline of investment opportunities to decarbonised Greater Manchester's public estate and to contribute to GM's 2038 target.
Further Assessment(s):	Equalities Impact Assessment	
G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.
		RR Negative impacts overall.

Carbon Assessment				
Overall Score				
Buildings	Result	Justification/Mitigation		
New Build residential	N/A			
Residential building(s) renovation/maintenanc	N/A			
New Build Commercial/Industrial	N/A			
Transport				
Active travel and public transport	N/A			
Roads, Parking and Vehicle Access	N/A			
Access to amenities	N/A			
Vehicle procurement	N/A			
Land Use				
Land use	N/A			
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management:

The submission has been informed by both national and local actors and/or polices. If successful, the submission will be subject to internal governance, in-line with the structures currently utilised for similar such programmes e.g. Public Sector Decarbonisation Scheme.

Legal Considerations:

The contents of this submission will require entering in to binding legal contracts with the funder, Salix Finance, and back-to-back grant agreements with the benefiting partner organisations. As such, the paper will highlight any risks and seek legal advice when appropriate, prior to any form of contracting.

Financial Consequences – Revenue:

There will be a financial consequence for GMCA revenue budgets associated with staff time to manage the defrayment of the funding and reporting to Salix and the preparation of back-to-back grant funding agreements. These are unrecoverable from the Grant, however, this can be fully funded from existing budgets and accommodated within the current work plan. All funded revenue expenditure will be via defrayed funds to the partner

organisations or to suppliers who are appointed on behalf of partner organisations to deliver the scope of works.

Financial Consequences – Capital:

There are no capital budget consequences – this request only concerns revenue funded activity.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

N/A

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

Not planned.

1. Introduction/Background

- 1.1 Phase 5 of the Low Carbon Skills Fund will provide up to £16 million of national grant funding to be defrayed within the financial year of 2024-25. The fund will provide grants to public sector organisations to engage the expert advice and skills required to prepare for heat decarbonisation and energy efficiency works in public buildings. Eligible expert advice includes heat decarbonisation strategies, feasibility studies, investment grade audits and detailed designs.
- 1.2 The available funding will be divided across three grant value ranges: 34% for applications < £100k, 38% for applications £100k-£500k, and 28% for applications £500k-£1m. The maximum grant that an organisation can apply for is £1 million.
- 1.3 A key difference to previous applications is that the funding will not be awarded on a 'fastest finger first' basis. Instead, applications will be assessed based on a random order, issued after the application portal closed on the 1st May 2024.

2. Approach Adopted

2.1. Salix, the scheme administrator, advised the following timeline:

- 17th Apr 24: LCSF Phase 5 portal opens for applications.
- 1st May 24: LCSF Phase 5 portal closes for applications.
- Jul 24: Decision and Grant Offer (if successful and subject to acceptance)
- Aug 24: Contracting
- Aug 24-Mar 25: Delivery
- 31st Mar 25 – All projects must be complete.

2.2 Following the announcement of the funding call in early April 2024, GMCA worked with local authorities and strategic partners to confirm interest and scope for a LCSF phase 5 submission. At their request, GMCA supported partners with preparing documentation and supporting a route to application through a GMCA-led collective bid.

2.3 The GMCA application to LCSF Phase 5 was submitted on the 30th April 2024. It comprised seven delivery partners: Salford Council, Wigan Council, GMP, GMFRS, TFGM, NHS Manchester Foundation Trust and the University of Salford.

3. Next steps

The required next steps include:

- 3.1 If successful in the initial shortlisting review of our application, GMCA will manage and support partners through the clarifications process.
- 3.2 If successful in the grant funding award, GMCA will put in place back-to-back grant funding agreements and support delivery partner with the defrayment of funds and reporting to Salix in accordance with the T&Cs of the grant funding agreement.

4. Opportunities/risks

4.1. The key opportunities include:

- If the bid is successful, the timescale for delivery of the commission is tight. However, we believe that with soft market engagement and strategic batching of the opportunities the timescale is deliverable.
- Utilisation of existing procurement frameworks such as Crown Commercial Services to support mobilisation and delivery, where required by consortium partners.
- Opportunity for Districts to collaborate with consequential efficiencies of scale.
- Development of decarbonisation opportunities to build the pipeline and provide information to support future capital funding ask/ grant applications and/or the pipeline for the GM Single Settlement Trailblazer.

4.2. The key risks include:

- Insufficient capacity to deliver both internally and externally, in the form of officers and or supply chain.
- Market volatility can create cost pressure. Our experience indicates this is a key risk that will be managed through market engagement and procurement strategy if funding application is successful.

5. Financial Implications

If the bid is successful:

- 5.1. There are no financial consequences for GMCA capital budgets.
- 5.2. There will be a GMCA resource requirement to manage the GFA and if required, to procure the works on behalf of delivery partners and manage the contract. It is proposed that existing staff will be used who are already funded through RBR.

6. Recommendations

The GMCA is requested to:

1. Note the bid for circ. £1m from Salix under the Low Carbon Skills Fund Phase 5.

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3. Note that the impact assessment reveals a positive impact for both environment and economy outcomes.