

Cabinet

17 June 2021

Revenue Investment Funds 2021/22 May Report

Recommendations

That Cabinet:

- 1) Approve the bid as detailed in section 2 amounting to £0.113m from the Climate Change Investment Fund.
- 2) Authorise the Strategic Director for Resources to procure and enter any agreements to give effect to the proposal on terms and conditions considered acceptable by him.

1. Purpose of the report and context

1.1. As part of the 2021/22 budget, Council approved the refocusing of the remaining amounts in the Revenue Investment Funds into three funds aimed at Preventing Vulnerability, Tackling Climate Change and Place Shaping & Economic Growth. The funds provide opportunities to run initiatives to meet the Council's objectives outside of services' core delivery budgets.

1.2. The current breakdown of these funds is shown below:

Council Investment Funds	Resource as at 01/04/2021 £000s	Agreed Future Commitments as at 01/04/2021 £000s	Approvals 2021/22 £000s	Uncommitted funding remaining £000s
Preventing Vulnerability – A fund to pump-prime upfront investment in demand management and early intervention initiatives prior to the financial benefits accruing.	5,831	(1,342)	0	4,489
Climate Change Fund – A fund to invest in priorities flowing from the Climate Change Task and Finish Group and Council Plan 2025	2,990	(31)	(103)	2,856
Place Shaping and Economic Growth – A fund to deliver investment in growth and commercial outcomes for Warwickshire	10,189	(2,017)	(661)	7,511
Total MTFS Allocation	19,010	(3,390)	(764)	14,856

1.3. The funds are outside of core budgets, and members approved a four-stage approval process for projects seeking funding:

- Stage 1: A project proposal document is developed and reviewed by Gateway Group/Corporate Board as to the strategic fit with the priorities in the Council Plan;
- Stage 2: The business case for the project is then prepared and an Investment Panel, made of representatives from Finance, Project Management Office and managers from services across the organisation, provides a technical evaluation and commentary on the proposal;
- Stage 3: Gateway Group use this technical evaluation alongside their own analysis of project governance and feasibility, to recommend the projects to Corporate Board if under £0.1m per project, or Cabinet if over this value for approval; and
- Stage 4: Cabinet approve/reject the allocations over £0.1m and note the projects under this value approved by Corporate Board. If the project is approved, funding is transferred to the service, and if savings have been identified flowing from the investment these are built into the medium-term financial strategy.

- 1.4. The scheme detailed in section 2 of this paper has been considered for strategic fit by Gateway Group, and for robustness of plans by the Investment Panel. Subject to Cabinet's decision today the amounts remaining unallocated in the three Investment Funds will be as below:

Preventing Vulnerability Fund	£4.489m
Climate Change Fund	£2.743m
Place Shaping and Economic Growth Fund	£7.511m

2. Description of the Investment Fund bid

Solar PV: Elliott Park Innovation Centre

- 2.1. Corporate Board recommend approval of £113,000 from the Climate Change Fund for the Solar PV: Elliott Park Innovation Centre project with the project sponsor being the Assistant Director, Commissioning Support Unit.
- 2.2. This project covers the implementation of solar photovoltaic technology at Elliott Park Innovation Centre increasing the amount of renewable energy generated across the Council's properties and reducing the amount of carbon emissions that Warwickshire generates.
- 2.3. The project is to be delivered as part of the Public Sector Decarbonisation Scheme (PSDS) operated by the Department for Business, Energy & Industrial Strategy (BEIS) which provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures. The total project

cost is £253,000 of which £140,000 is funded by a PSDS grant leaving £113,000 of internal funding requirement to deliver the project.

- 2.4. Cashable savings arising from this scheme will flow to the Council via increased service charges levied on the occupants of the Innovation Centre (equal to their reduced energy cost as a result of this investment) and expected to amount to £20,700 per annum.
- 2.5. The grant is conditional upon the completion of the scheme by 30th September 2021. If this deadline was not met, part or all of the grant funding could become repayable. This risk is managed by having carried out a detailed feasibility study and working closely with our delivery partners. Further mitigation could include reducing the scope of the project or identifying alternative suppliers. In the worst-case scenario, if the Council had to fund the entire cost of the project, it would still be financially viable and archive a positive net present value over a 25-year period.

3. Environmental Implications

- 3.1. The project is anticipated to have a positive impact on the environment; based on the planned installation of a 181kW array it is estimated that 154,000kWh of energy will be generated and 39 tonnes of CO2 offset annually. There are no environmental issues or concerns arising from the initiative proposed in this document.

4. Financial Implication

- 4.1. There is no assumption of, or commitment to, funding beyond the level set out in the report for the project. If, as a result of circumstances outside of our control, the scheme cannot be delivered by 30th September 2021 and despite mitigating actions it required further funding the Service will look to reprioritise existing resources and seek out external resources in the first instance. If this is not possible then approval of future funding will be brought forward to Members for consideration.

5. Background Papers

None

	Name	Contact Information
Report Authors	Natalia Szabo	nataliaszabo@warwickshire.gov.uk
Assistant Director	Andy Felton	andrewfelton@warwickshire.gov.uk
Chief Executive	Monica Fogarty	monicafogarty@warwickshire.gov.uk
Portfolio Holder	Councillor Peter Butlin	peterbutlin@warwickshire.gov.uk

This report was not circulated to elected members prior to publication.