

**FULL COUNCIL
1 JULY 2021**

BUDGET PROVISION FOR DECARBONISATION GRANT

Cabinet Member(s): Cllr Andrew Moore, Cabinet Member for Finance
Responsible Officer: Andrew Jarrett, Deputy Chief Executive and S151

Reason for Report:

To seek approval from council to facilitate the expenditure of grant monies that have been secured as part of the Public Sector Decarbonisation Scheme. This report seeks approval to increase planned budget expenditure by the amount secured in grant funds.

Recommendation:

- (1) That the council agrees the changes to the annual budget in 2021/22 in order to reflect the additional expenditure of £349k now required to implement the PSDS scheme.**

Financial Implications: This decision will allow the council's budgeted expenditure to be updated to accurately reflect known spend. Planned spend is 100% covered by external grant; there is no anticipated negative impact on base budget.

Budget and Policy Framework: This grant-funding was not known at the time the council's annual budget was approved. This decision approves the budget allowing for a future cabinet decision to be made about project implementation. The council's budget (planned expenditure) will be updated as a result of this decision.

Legal Implications: None arising from this decision. A policy decision on the project spend and implementation will be coming to cabinet on 6th July 2021.

Risk Assessment: If the council does not make sufficient provision in its budget for planned expenditure, there is a risk that full utilisation of the grant funding could be challenged as it exceeds the £250k threshold variance within the remit of cabinet.

Equality Impact Assessment: No impacts identified.

Relationship to Corporate Plan: This decision is to amend the budget to allow for expenditure of a government grant secured to reduce energy usage in public buildings. As such, this is aligned to the council's corporate plan, specifically in relation to the Environment theme – Encourage retro-fitting of measures to reduce energy use in buildings.

Impact on Climate Change: This decision is purely to allow for the additional planned expenditure in budget terms. The projects that the grant funding will deliver are specifically to reduce carbon emissions, and a decision to implement the grant itself will be going before cabinet on 6th July 2021.

1.0 Overview

- 1.1 When the council sets the annual budget it takes in all the known variables at that point in time. Variations from this budget are permitted within agreed tolerances as set out in the financial regulations.
- 1.2 A bid was submitted to the government's Public Sector Decarbonisation Scheme (PSDS) and the council has been notified of its success under this scheme, allowing for a further investment in carbon emission reduction activity to the value of £348,821 across three separate grant agreements.
- 1.3 This success was not known about when the budget was originally agreed by council, so this spend has not been approved.
- 1.4 Having been successful in securing this additional investment, the council's budget framework needs to be updated to reflect this additional expenditure, in order that subsequent decisions relating to implementation accord with the council's agreed budget.
- 1.5 The grants secured cover 100% of planned expenditure and there is no anticipated impact on base budget provision. However the council's budget needs to be updated, even when the council is planning to spend externally-sourced funds.

2.0 Summary

- 2.1 The PSDS funds need to be utilised by 30th September 2021, and a decision on project implementation will be coming to cabinet on 6th July to ensure that this timeframe can be met.
- 2.2 In summary, while this report has been necessitated by the welcome securing of additional grant monies from government, the council's budget approvals cover total expenditure not just that from its own resources. So full council needs to agree to expand the budget by the amount secured to cover this extra spend.

Contact for more Information:

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