

<b>Title of Report</b>	<b>RENEWABLE HEATING INCETIVE (RHI) - UPDATE REPORT</b>	
<b>Presented by</b>	Andy Barton Strategic Director	
<b>Background Papers</b>	Annual Governance Statement 2020/1	<b>Public Report:</b> Yes
<b>Purpose of Report</b>	To furnish the committee with the outstanding detail requested at its last meeting regarding the RHI grant claims.	
<b>Recommendations</b>	<p><b>THAT THE COMMITTEE:</b></p> <ol style="list-style-type: none"> <li><b>1. NOTE THE ADDITIONAL DETAILS REQUESTED AT THE COMMITTEES LAST MEETING</b></li> <li><b>2. NOTE THE ACTIONS REGARDING THE CLAIM UPDATE CONTAINED IN THE REPORT</b></li> <li><b>3. NOTE THE MONITORING / AUDIT ARRANGEMENTS HAVE BEEN ACTIONED AS AGREED AT THE LAST MEETING.</b></li> </ol>	

## 1.0 BACKGROUND

- 1.1 At its meeting of the 20 January 2021, the Committee received a confidential report regarding a loss of £667k to the HRA capital fund, due to failing to claim grants from a government programme. The issue commenced in 2018/9 and was identified in 2019/20. This loss takes the form of a series of grant payments over a seven year period. At that meeting the Committee wished for the item to be reported in the Annual Governance Statement for 2019/20 which was completed and outstanding actions will therefore be monitored through this mechanism.
- 1.2 This report completes the remaining actions outstanding from the last committee namely :
- i. a more detailed timeline of events
  - ii. the remedial actions put in place through the management report,
  - iii. Further consideration as to whether any retrospective action can be progressed regarding claiming the funds back from either the Government department or OfGem.
- 1.3 Members are reminded that the contents of the report to the committee in January 2021 remain confidential and, to accord with the Committee's wishes, this report is

open. However this does restrict some elements of detail still being released and reference should not be made to the January reports contents unless the Committee moves into private session.

## **2.0 Timeline**

- 2.1 Attached in Annex A to this report members will find a more detailed timeline of the events. Due to the time elapsed and lack of all members of staff remaining in employment there are some areas lacking full detail (ie exact dates). However, where possible, known and corroborated dates are shown.
- 2.2 Some individual actions are redacted due to them relating to Human Resources issues and would require the committee to move into confidential session for discussion, however they do not change the timeline as presented.

## **3.0 Remedial Actions**

- 3.1 As mentioned in the January report to the Committee, a management investigation was undertaken and the investigation report concluded with a number of actions. These are set out in Annex B to this report. These have also been summarised as part of the Annual Governance Statement for 2019/20 which can be found on our website and is referred to as a background papers to this report.
- 3.2 All actions are complete or passed to other mechanisms for monitoring bar the Audit being undertaken (but it has been added to the work programme and features on this meetings agenda) and the Asset Team Plan (due to the recruitment of the Team Leader completing in mid-February. This action will be completed as part of them joining the council in May 2021 and monitored via the induction process).

## **4.0 Legal Action and Opinion**

- 4.1 At the last meeting of the Committee members requested that the Head of Legal and Commercial Services review the legal position in respect of the regulations which govern the grant process. There has been correspondence with BEIS and Ofgem and further legal advice is being sought. Should members wish to discuss the legal issues in detail, the meeting will be advised to move into confidential session.
- 4.2 It is worth noting that, in response to COVID recovery, BEIS have issued a change in regulation meaning that, of the 125 missing claims, 4 additional claims will now be possible (as a relaxation of the rules has been granted covering the period to March 2020). This equates to around £34k reclaimed, reducing the £667k lost funds to c£633k over the 7 year period. This is being actioned by the housing team.

## **5.0 Summary**

- 5.1 This report has set out the outstanding issues regarding the RHI grant loss. All actions from the reports are either completed, or where outstanding will be monitored via either the Audit Plan or Annual Governance Statement.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Insert relevant Council Priorities:  Developing a clean and green district  Local people live in high quality, affordable homes
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	RHI and Heat Pump installation will assist with overall Carbon Reduction.
Consultation/Community Engagement:	None
Risks:	Addressed via the Governance Statement or Audit Plans as they come forward.
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