

### **Clarification on the revision of figures for the Sustainable Warmth Scheme:**

The current slippage on the Sustainable Warmth programme has been broken down in the table below. The slippage on Q4 for CR07 was due to major challenges in administration of the scheme in 2023/24 due to Government delays and processes which portfolio holders of climate change and finance on the internal Programme Monitoring Board are well briefed on. Unfortunately, this significantly impacted the ability to deliver at the scale anticipated and saw 2023/24 programme spent at circa £1.5m against a target of £5.6m.

2024/25 has a budget allocation of £8.4m and with streamlining of Government processes, we are on track to deliver circa £7m of spend against this. Any underspend is disappointing but external factors have impacted delivery of the scheme. The financial implications of this will not result in major clawback as the Government grants are largely paid in arrears in batches with only a small capital upfront allocation awarded. As we move to tools down on 31 March 2025, payments will be adjusted to account for capital already paid to reduce any clawback requirements. Some of the grant spend will undoubtedly slip into 2025/26 as capital works are invoiced once completed with a retention pending lodgement of paperwork which is usually at least two months following.

<b>Cost Centre</b>	<b>Capital Scheme</b>	<b>Q4 Slippage</b>	
CR03	Green Homes Grant - Phase 2	676,000	Final invoice of £42k processed – anything else is repayment however this is just being transferred to HUG2 pot in lieu of payments for that programme from the funders
CR04	Sustainable Warmth - BEIS	179,000	Accruals for outstanding invoices – no payback due – scheme closed and small clawback processed (circa £3k)
CR05	Sustainable Warmth - LAD3 MEH	310,000	Accruals for outstanding invoices – no payback due – as funding was paid once spend confirmed. Just working through final account with contractors now.
CR06	Sustainable Warmth - HUG1 MEH	1,011,000	Accruals for payments – no payback due (already paid circa £3k clawback). Couple of outstanding account queries remaining with contractors.
CR07	Sustainable Warmth - HUG2	5,178,000	Slipped into Year 2 of HUG due to major issues with the programme (Government delays). Spend in Year 1 only £1.5m against a £5.6m target. On track to deliver circa £7m in Year 2 against original £8.4m target. However – very minimal clawback as we are paid in arrears once batches of funding are approved apart from a small upfront payment. Payments due to be adjusted to take that into account as we draw to a close.