



**WEST OXFORDSHIRE
DISTRICT COUNCIL**

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	EXECUTIVE – 9 JULY 2025 COUNCIL – 16 JULY 2025
Subject	WINDRUSH LEISURE CENTRE DECARBONISATION
Wards affected	Witney wards
Accountable member	Cllr Andrew Prosser, Executive Member for Climate Action and Nature Recovery Email: andrew.prosser@westoxon.uk
Accountable officer	Hannah Kenyon, Climate Change Manager Email: hannah.kenyon@westoxon.gov.uk
Report author	Hannah Kenyon, Climate Change Manager Email: hannah.kenyon@westoxon.gov.uk
Summary/Purpose	To present the business case for the decarbonisation of Windrush Leisure Centre.
Annexes	None
Recommendation(s)	That the Executive resolves to: <ol style="list-style-type: none">1. Agree to progress to the construction phase of the Windrush Leisure Centre decarbonisation scheme.2. Recommend to Council to allocate an additional council contribution of £340,683 towards the project in addition to the £224,866 already included within the capital programme.3. Request Officers to bring forward a works programme for the activities identified in the recent condition survey for the Windrush Leisure Centre.
Corporate priorities	<ul style="list-style-type: none">• Putting Residents First• A Good Quality of Life for All• A Better Environment for People and Wildlife• Responding to the Climate and Ecological Emergency• Working Together for West Oxfordshire
Key Decision	YES

Exempt	NO
Consultees/ Consultation	GLL are aware that the Council is working on the decarbonisation of the Leisure Centre.

EXECUTIVE SUMMARY

- 1.1 The Council has been progressing the Public Sector Decarbonisation Scheme (PSDS) Phase 3c funded project at Windrush Leisure Centre to remove a reliance on gas fired heating and to replace this system with Air Source Heat Pumps (ASHPs). The Investment Grade Proposal (IGP) has been completed and includes the detailed decarbonisation design and costs. Approval is sought to proceed to the construction phase and allocate additional council funding to the project.
- 1.2 The scheme will save 255.3 tCO₂e per annum and reduce the Council's total annual carbon emissions by 8.8%. The lifetime carbon savings are 5,106 tCO₂e.
- 1.3 It is estimated that the scheme will save around £7,800 per annum in operational energy costs albeit offset by additional operating and capital financing costs totalling £32,800 per annum giving rise to a Council revenue budget pressure of £25,000 per annum.
- 1.4 The total capital cost of the decarbonisation scheme is estimated to be £2,175,914 with a Council contribution of £565,549, which includes an additional allocation of £340,683 from Council resources in 2025/26, over and above the £224,866 client contribution agreed as a condition of accepting the Salix Grant Offer. Grant funding from Salix received and spent on the project in 2024/25 totalled £430,069. The remaining expenditure of £1,745,845 is allocated to the 2025/26 financial year.
- 1.5 The project must be delivered and be operational by 31 March 2026 to secure the remaining £1,180,296 of PSDS grant funding.
- 1.6 A comprehensive condition survey of the Leisure Centre has been conducted, the recommendations from which will form part of a Building Maintenance Programme which will be coming forward to the Executive in September to approve a capital programme for Leisure assets for a rolling five-year period.

2. BACKGROUND

- 2.1 A PSDS Phase 3c application was made to Salix Finance in October 2023. The application included a RIBA Stage 2 design that was prepared by Arthian Ltd (formerly GEP Environmental Ltd).
- 2.2 On 13 December 2023, the Council resolved to delegate authority to the Chief Executive Officer, in consultation with the Director of Finance and the Executive Members for Finance and Climate Change to:
 - a) Accept the grant funding, if awarded to the Council, and earmark the required client contribution of £224,866 in the 2024/25 budget.
 - b) Note that project risks have been identified and that project gateways will be used where any decision relates to capital spend.
- 2.3 The Council was awarded the full grant funding from Salix on 16 February 2024, totalling £1,649,013, with a 12% council contribution of £224,866.

- 2.4 Pick Everard was commissioned to undertake a cost evaluation of the project costs included in the grant application. The evaluation provided evidence that the scheme was financially viable to proceed with the detailed design.
- 2.5 On 1 March 2024, the Chief Executive Officer, in consultation with the Director of Finance and the Executive Members for Finance and Climate Change, accepted the grant funding with a client contribution of £224,866.
- 2.6 The Pagabo Construction Framework was used to tender for the two-year design and build contract. Alternative Heat was awarded the contract.
- 2.7 The Council has since installed rooftop solar panels, funded by Sport England's Swimming Pool Support Fund (SPSF).

3. MAIN POINTS

- 3.1 Following the completion of a detailed design, Alternative Heat produced an IGP for the construction stage of the project. The decarbonisation scheme consists of nine ASHPs housed within an acoustic enclosure located in the Leisure Centre car park. A further two air source heat pumps will be located on the roof along with two new Air Handling Units (AHUs) that will replace the existing units serving the pool and wet changing areas.
- 3.2 The decarbonisation scheme has been technically reviewed by Arthian, who prepared the initial heat decarbonisation plan, which was included in the PSDS grant application. Arthian is satisfied that the design is robust and operationally sound. The design has also been shared with and accepted by Salix.
- 3.3 A new incoming electricity supply has been secured to power the ASHPs. The existing electricity supply will remain in place, reducing the amount of downtime that will be incurred by the works.
- 3.4 A full planning application has been submitted for the proposed scheme and is due to be determined at the Lowlands Area Planning Sub-Committee in July.

4. ALTERNATIVE OPTIONS

- 4.1 Do not install Air Source Heat Pumps with the inherent risks of doing so identified in this report.
- 4.2 The Council can take a more ambitious approach to decarbonisation by using the most energy efficient options when replacing not only the gas boilers in five years, but all essential plant and machinery. For example, replacing the radiators with infrared radiant panels would save anywhere between 25% and 40% of energy consumption and deliver the corresponding carbon saving. Replacing the Air Handling Units in 2025/26 with the highest efficiency heat recovery options, variable speed fans and improved controls would also deliver significant energy and carbon savings.
- 4.3 The Council could decide to reject the Salix grant and allocate the funding requested for the PSDS project on alternative and equivalent energy savings measures through the planned replacement of Plant and Machinery identified in the Building Maintenance Programme, to be brought to the Executive in September.

5. RECOMMENDATIONS

- 5.1 It is recommended that the Council approve the decarbonisation scheme as it will result in an 8.8% reduction in the Council's carbon emissions, contributing to not only the Council's 2030 carbon neutral target but the 2050 districtwide net zero target.
- 5.2 It is recommended that the Council considers this project as part of the wider Asset Management Strategy of the Leisure Centres.

6. FINANCIAL IMPLICATIONS

- 6.1 The total project value included in the PSDS application was £1,873,879. This comprised a grant award of £1,649,013 and a mandatory 12% client contribution from the Council of £224,866.
- 6.2 The capital cost of the scheme is currently forecast at £2,175,914. Grant funding of £430,069 from Salix was received and spent on the project in 2024/25.
- 6.3 The remaining estimated cost of the project is £1,745,845 made up of £1,180,296 of grant funding and a funding request from the Council's resources of £565,549. The PSDS grant funding is time-limited and must be spent by 31 March 2026. A summary of costs and financing (split between years 1 and 2 of the project) is set out in the table below.

	(Year 1) 2024/25 £	(Year 2) 2025/26 £	Total £
Project costs	430,068	1,745,845	2,175,914
PSDS grant	-430,068	-1,180,296	-1,610,364
Council contribution	0	565,549	565,549

- 6.4 Delivery of the project is forecast to create an annual revenue budget pressure of around £25,000 per annum to the Council, primarily due to higher maintenance costs associated with operating an ASHP system compared to operating a gas boiler system. The additional costs cannot be passed onto the Operator (GLL) as the decision to change heating systems is not under their control and under the terms of the leisure contract, the Council must take on the utility risk under these circumstances.
- 6.5 There are also additional capital financing costs associated with the Council's contribution to the capital cost of the project. The additional cost of £25,000 per annum is net of a forecast energy cost saving of around £7,800 per annum.
- 6.6 As a condition of accepting the PSDS grant, the Council agreed to contribute 12% of the total project cost. The Council must be able to demonstrate that this has been paid as part of the evidence that Salix require upon completion. The total Council contribution of 12% is therefore £565,549, an increase of £340,683.
- 6.7 The capital estimates include the following allowances:
- a) A £290,000 provision for project costs.
 - b) £26,000 to remove the original gas boiler that was decommissioned over 20 years ago and has remained in place. Although its removal is not required for the PSDS installation, it is appropriate from a building maintenance perspective to address this issue whilst a contractor is engaged and on-site to deliver the wider PSDS scheme.

- c) A £21,000 provision to cover GLL loss of income in case the pool must be closed to members of the public during installation.

6.8 The recent installation of solar PV is not included in the financial assessment of the scheme as it was installed separately to the scheme which is the subject of this report. Solar energy is already contributing to the centre's electricity demand and will continue to do so after the new heating system is installed.

7. LEGAL IMPLICATIONS

7.1 The first stage for the provision of design services was let via a Pre-construction Services Agreement in accordance with the NEC 4 Professional Services Contract. The second stage Construction Contract will be awarded using the NEC Engineering and Construction Contract Option A.

7.2 Legal advice for both stages has been provided by specialist lawyers.

8. RISKS

8.1 A full project risk register has been maintained throughout the design stage, and this will continue to be regularly reviewed and updated during the construction stage.

8.2 At this stage, the key risks are:

- 1) Disruption to the operations of GLL and leisure centre users during the works may lead to unplanned closures of the swimming pool and the need to compensate GLL for loss of income. The contract with Alternative Heat includes a delay damages clause which allows the Council to recover these costs from the Contractor if this happens beyond the agreed closure period of seven days.
- 2) Removal of the gas boiler system entirely will result in no backup heating system for the building. If the ASHP fails due to ambient temperatures falling below operational limits for a considerable period, this could lead to unplanned closures of the swimming pool and the need to compensate GLL for loss of income. This is an ongoing but unlikely risk, which depends on the extremity of weather conditions. It is a similar risk to a significant gas or electricity outage.
- 3) Any increases in energy costs because of the decarbonisation will be passed to the Council, however the energy costs to operate the centre after the decarbonisation are predicted to be lower than current costs, by £7,800. There are, however, additional costs of £25,000 per year for maintenance of the new ASHP system and debt financing costs.
- 4) Backlog maintenance issues have been identified in the building condition survey, which relate to both the building fabric and mechanical and electrical equipment. There is a risk that, during the decarbonisation works, unknown faults within the existing M&E systems are discovered, as the current condition in some areas remains unknown.
- 5) The recent condition survey highlighted key items of plant that would need to be replaced in the next five years. These include the end-of-life gas boilers (replacement in five years) and the AHUs (replacement in one year) to the Pool and Wet Change

areas that are in poor condition and inefficient. However, these will be replaced as part of the PSDS project if it proceeds.

9. EQUALITIES IMPACT

9.1 None.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 The Leisure Centre emits 419tCO₂e, which is 14.7% of the Council's total emissions.

10.2 The Council declared a climate and ecological emergency in 2019 and committed to becoming a carbon neutral council by 2030. The Carbon Action Plan 2024-2030 sets out actions and a pathway for the Council to achieve carbon neutrality by 2030.

10.3 The decarbonisation of the Leisure Centre is critical to reducing carbon from council activities, achieving carbon neutrality by 2030 without significant carbon offsets.

10.4 The scheme will result in an annual carbon reduction of 255.3tCO₂e, which is a 39% carbon reduction in annual emissions from the Leisure Centre and 8.8% carbon reduction in the Council's total annual emissions. After the decarbonisation, the Leisure Centre will represent 5.6% of the Council's total annual emissions.

10.5 The carbon reduction will also contribute to the 2050 districtwide net zero target.

11. BACKGROUND PAPERS

11.1 None.

(END)