



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	CABINET - 16 NOVEMBER 2022
Report Number	AGENDA ITEM 11
Subject	PUBLIC SECTOR DECARBONISATION SCHEME (PSDS3b) CARTERTON LEISURE CENTRE
Wards affected	CARTERTON
Accountable member	CIlr Dan Levy Email: dan.levy@cloud.westoxon.gov.uk
Accountable officer	Andrew Turner, Business Manager – Assets & Council Priorities Email: andrew.turner@publicagroup.uk
Summary/Purpose	For Cabinet to consider and review the PSDS3b grant application process, including the proposed stages, associated costs and risks.
Annexes	Annex A – High Level Programme Annex B – Exempt financial information
Recommendation(s)	That Cabinet resolves to: <i>a) Support the proposed application process</i> <i>b) Approve a pre contract at risk budget of £53,000.</i>
Corporate priorities	<ul style="list-style-type: none">• Climate Action: Leading the way in protecting and enhancing the environment by taking action locally on climate change and biodiversity• Healthy Towns and Villages: Facilitating healthy lifestyles and better wellbeing for everyone
Key Decision	YES
Exempt	PARTIALLY – Annex B contains sensitive information detailing grant application.
Consultees/ Consultation	Cabinet Member for Finance and Assets, Chief Finance Officer, Head of Legal Service.

1. BACKGROUND

- 1.1** Having been forced to withdraw from PSDS3a due to time delays associated with SSE installing a new sub-station, the Council had the opportunity to reapply under the next funding round, PSDS3b.
- 1.2** PSDS is the public sector decarbonisation scheme that provides grant to help fund the conversion from gas powered systems to more sustainable options like solar power and air source heat pumps.
- 1.3** PSDS3b funding opened on 12 October 2022, on a first come first serve basis. The Council application was submitted within two hours of opening. Confirmation has already been received that the Council passed the initial eligibility criteria.
- 1.4** The grant application would cover the cost of additional solar panels, air source heat pumps, air handling system, potential water source heat pumps and the removal of gas boilers.

2. MAIN POINTS

- 2.1** The previous funding round highlighted that an Investment Grade Proposal (IGP), would be required to fully understand the requirements of decarbonising the leisure centre. If the Council decided to proceed with or without grant funding, this advanced design proposal would still be required. In order to best position ourselves, a design and build contract has been procured.
- 2.2** Greenwich Leisure Limited (GLL), the leisure provider, did not support the initial feasibility assessment due to the lack of detailed performance data. The IGP will provide the detail needed for any decision making process.
- 2.3** The design and build contractor will work with the council and leisure provider to bring forward proposals that are acceptable to both parties. The two key stages being:
 - Stage 1 – Feasibility Assessment, lasting four to six week at a cost of £3,000
 - Stage 2 – IGP Design, lasting three to four months at an estimated cost of £50,000
- 2.4** The IGP would detail the following:
 - Recommended energy conservation measures (ECMs); including design and equipment specifications
 - Costed financial proposal
 - Building analysis and current energy performance
 - Deemed performance of suggested ECMs
 - Cost analysis of ECM performance
 - O&M procedure (post-project)

- An M&V proposal (post-project)
- Project implementation (i.e. how they are going to deliver the project – risk register, timeframes, costs, on-site delivery)
- A value for money assessment

2.5 The procurement of the contractor is dependent on successful grant funding. If unsuccessful, the council would only be liable for £53,000, being stage 1 and 2 detailed above. If successful, the £50,000 can be claimed as a PSDS3b cost.

2.6 At the point of submission, Salix, the grant funding provider, stated that the council would need to contribute up to 12% of the project cost, less the cost to replace the current system. The figures are provided in the exempt Annex B.

2.7 Upon completion of the IGP and grant confirmation, a detailed report will be brought to Cabinet for final approval. A high level programme summary is provided in Annex A.

3. CONCLUSIONS

3.1 Without an IGP, we do not know if a full decarbonisation at Carterton Leisure Centre with grant funding is viable. If it is viable, we must give ourselves the best chance of delivery and make sure everything is in place by the time a funding decision has been reached. If we do not proceed and wait for funding confirmation first, we will need to wait a further four to six months to obtain an IGP, taking up a quarter of the delivery timeframe.

3.2 Pre contract spend risk is £53,000, a cost that we would need to spend at some point in the future to understand our options at the leisure centre.

3.3 The alternative option would be to cancel the current PSDS3b application and not progress with the option of decarbonising the leisure centre. The estimated current system replacement cost is £96,000, replacing on a like for like basis as required. The £53,000 at risk spend would no longer be required.

5. FINANCIAL IMPLICATIONS

5.1 At this point the maximum financial risk to the council is £53,000 for the IGP report. Should the scheme go ahead, £50,000 will be funded via the scheme. If the scheme does not go ahead, the £53,000 will be funded through earmarked reserves.

6. LEGAL IMPLICATIONS

6.1 There are no legal implications arising directly from this report.

7. RISK ASSESSMENT

7.1 Climate change and decarbonisation are priorities for the council. In order to understand our options with regards Carterton Leisure centre, we would need to appoint a consultant

to produce an IGP. By allocating £53,000 at risk now, we can produce the IGP in preparation for a potential £1.6 million of grant funding.

8. EQUALITIES IMPACT

8.1 No negative impact on different service users, customers or staff is expected from the implementation of the recommendations of this report.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 No negative impact based on the recommendations in this report.

10. ALTERNATIVE OPTIONS

10.1 Not to progress with the application and miss out on potential grant funding.

11. BACKGROUND PAPERS

(END)