

PUBLIC SECTOR DECARBONISATION SCHEME FUNDING SUBMISSION

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

Securing funding from the Public Sector Decarbonisation Scheme will support implementation of the Council's carbon reduction efforts.

The proposed decarbonisation scheme will deliver:

- A near net zero carbon swimming pool for the Borough
- A pioneering exemplar project from which to build and demonstrate best practice

Deliverables will include:

- A building (historically heated by gas) that is no longer reliant on fossil fuel heating
- Significantly reduced carbon footprint for the site
- A focal point for the Council's ongoing ambitions to address carbon emissions

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

This report provides an update to Executive on the work undertaken to date to explore energy efficiency and low carbon energy generation opportunities across the Council's property and estates.

As a result of this work, an opportunity has arisen to submit an application to the Government's Public Sector Decarbonisation Scheme. This paper makes Executive aware of the scheme that has been proposed and for which a funding bid has been submitted.

RECOMMENDATIONS:

It is recommended that the Executive:

1. Notes the report and supports, in principle, the project outlined in the report;
2. Recommends to Council that the project is supported and that, subject to recommendation 3, that the Council accepts any grant from the Department for Business, Energy and Industrial Strategy (BEIS)/Salix, to fund the project and that the Council's capital budget and programme be adjusted accordingly; and
3. That recommendation 2 be conditional on the Solicitor, the Section 151 Officer, the Monitoring Officer, the Elected Mayor and the Chair of the Overview and Scrutiny Committee, being satisfied that (a) any BEIS grant conditions are acceptable and that financial regulation E5.12 is otherwise satisfied; (b) that a satisfactory variation to the leisure management agreement and the swimming pool lease, insofar as is necessary, is entered into with Greenwich Leisure Limited to enable the project to proceed; and (c) that any other land issues arising the project involving third parties are satisfactorily resolved.

1. INTRODUCTION

- 1.1. This paper summarises work to date to identify opportunities for energy efficiency and generation across the Council's property and estate, and introduces a scheme that has been developed in order to apply for Public Sector Decarbonisation Scheme funding.

2. DEVELOPMENT PROCESS

- 2.1. In December 2019, the Council was awarded a Local Government Association Productivity Expert Grant for a study into energy efficiency and renewable energy generation opportunities across the Council's property and estate.
- 2.2. This study has resulted in the production of a report, which identifies such opportunities and prioritises them based on carbon reduction potential and cost saving/revenue generation.
- 2.3. One of the opportunities identified in the report is for heat decarbonisation interventions at the Swimming Pool in Whitehaven. The Swimming Pool, operated by Greenwich Leisure Limited, accounts for 27% of the emissions associated with the Council's properties, so is a priority for emissions reduction.
- 2.4. The scheme includes installation of a Ground Source Heat Pump and building efficiency upgrades, with a potential option to also install solar photovoltaic (PV) arrays for electricity generation and storage via battery. The Council's consultants are developing technical specifications for the technologies to be installed.

3. PUBLIC SECTOR DECARBONISATION SCHEME

- 3.1. In 2020, the Department for Business, Energy and Industrial Strategy (BEIS) has launched the Public Sector Decarbonisation Scheme, for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings.
- 3.2. The scheme, which is administered by Salix, aims to deliver:
 - Stimulus to the energy efficiency and low carbon heat sectors, supporting jobs
 - Significant carbon savings in the public sector
- 3.3. The scheme allows eligible bodies (including local authorities) to apply for a grant to finance up to 100% of the costs of capital energy saving projects that meet the scheme criteria.
- 3.4. The nature of the proposed interventions means that the scheme meets the highest priority Category 1 criteria for the Public Sector Decarbonisation Scheme:

“Technologies that directly contribute to the heat decarbonisation of a building by installation of a low carbon heating technology. For example, heat pumps and connections to low carbon heat networks.”
- 3.5. Therefore, a bid has been submitted to request 100% of the capital required to make the interventions described at the Swimming Pool.

- 3.6. The deadline for this round of funding was 11th January and successful bidders will be notified by the 29th January. Successful projects must be completed by 30th September 2021.

4. ALTERNATIVE OPTIONS TO CONSIDER

- 4.1. Do Nothing: To do nothing would be to miss opportunity to secure a source of funding by which to implement a project that will contribute to both the Council's climate commitments and reduction of costs. This option is not recommended.

5. STATUTORY OFFICER COMMENTS

- 5.1. Monitoring Officer Comments:

- 5.2. Legal Comments: The Executive on the 16th March 2020 agreed to the extension of the leisure management contract with Greenwich Leisure Limited ('GLL') until the 31st March 2022. The proposed works need to be completed by the 30th September 2021. GLL's consent will therefore be needed to the project. Consequential amendments are likely to be needed to the leisure management contract and also the lease between the Council and GLL of the pool. Initial discussions with GLL are favourable. The recent extension to the pool was provided with the aid of Sport England grant and there is a restriction on title against disposal. If the project involves a disposal (e.g. a long lease of roof space upon which solar panels are located) of that part of the premises which were grant aided then Sport England's consent might be required. Finally there is a reservation of mines and minerals – if the mines and minerals are to be interfered with (e.g. through the ground source heat pump) then a release will be required from the owner of the mines and minerals (Lord Lonsdale).

In respect of funding it is not yet known how much grant will be received, assuming the application is successful. It will be above £200,000. Therefore the Council's consent to receipt of the external funding will be required and financial regulation E5.12 complied with. This requires that the funds are acquired only to meet the priorities within the approved policy framework; that any match funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements; management fees are charged for the costs of administration (not applicable); and that any claw back conditions are considered prior to accepting the grant.

With regard to procurement of the works contract standing orders will need to be complied with as part of any eventual procurement.

The recommendations ensure that the above requirements are addressed.

- 5.3. Section 151 Officer Comments: GLL has agreed in principle to make adjustments to the contract to ensure financial savings arising from the project are retained by the Council. Other financial comments are contained in the report.
- 5.4. EIA Comments: N/A
- 5.5. Policy Framework Comments: N/A

6. RESOURCE REQUIREMENTS

- 6.1. Should the funding bid be successful, a team within the council has been identified to deliver the project, led by the Property and Estates Manager.
- 6.2. The savings generated by the use of the funding must be retained by the public sector, and therefore the existing contract between the Council and facility operator would need to be amended accordingly. This will require input from the Property & Estates team and Legal services.

7. HOW WILL THE PROPOSALS BE PROJECT MANAGED

- 7.1. Should the funding bid be successful, the resulting project will be managed in line with the Council's Project Management Framework and subject to appropriate governance.
- 7.2. The key driver of the LGA productivity expert programme is to create significant savings or revenue generation over a 4 year period, so any projects resulting from opportunities identified by the study will be subject to appropriate management and governance arrangements.