

REPORT TO:	Executive Board
DATE:	17th June 2021
REPORTING OFFICER:	Strategic Director – Enterprise Community & Resources
PORTFOLIO:	Climate Change
SUBJECT:	Public Sector Decarbonisation Fund
WARDS:	Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To provide an update on a recent bid to the Public Sector Decarbonisation Fund and to seek approval for additional funding from the Capital Programme to support the bid.

2.0 RECOMMENDATION

2.1 That:

(1) the award of £1,295,846m from the Public Sector Decarbonisation Fund be noted.

(2) Council be asked to include the Decarbonisation Scheme at a gross cost of £1,677,673 within the 2021/22 capital programme, to be funded as set out within paragraph 3.4.

3.0 SUPPORTING INFORMATION

3.1 Towards the end of 2020, the Government launched a Public Sector Decarbonisation Fund of 1bn of grant funding, up to 100% of capital costs for energy efficiency and heat decarbonisation projects within public sector non-domestic buildings. Timescales for bids were tight and needed to be submitted by January 2021, with work completed by September 2021.

3.2 The purpose of the Scheme was to help make eligible buildings more energy efficient and install low carbon heating measures, for example; insulation, glazing, heating controls, and heat pumps.

3.3 All bids had to include some form of heat decarbonisation of a building by installation of a low carbon heating technology. For example, heat pumps or connections to low carbon heat networks. The cost to save a tonne of carbon (CO₂e) over the lifetime of the project must also be no more than £500. This

limited the amount of funding the Council could bid for as it needed to ensure costs were aligned with carbon savings.

3.4 The Council developed a bid focussed on the DCBL Stadium, which included replacing the current gas boilers with air source heat pumps; replacing existing lighting fittings with new energy efficient LED lighting; replacing single glazed windows; and installing additional insulation.

3.5 The improvements will significantly reduce the carbon footprint of the building and support the Council's commitment to reduce its impact on the environment. As part of the programme a significant amount of design work for the heating system and assessment of the electric demand of the building need to be completed. Given the tight timescales for delivery, a full procurement process would have meant that timescales could not have been achieved.

3.6 The bid proposed the Council's term contractors for design services, electrical services and heating, who had all recently gone through a competitive tender process, would deliver the work programme.

3.7 In February 2021, the Council was awarded £1,295,846 to deliver the improvements.

3.8 Since the award of the funding, a Project Team has been established led by Property Services to deliver the scheme. To date the focus has been on completing the final design work and firming up costs in advance of commencing the works in July. This work is nearing completion. All quotes have been revisited and the final quotes for the new heating system will be submitted in mid-June. Three suppliers have been approached for costs.

3.9 To date a number of cost variations have been identified. These are attributed to mainly ancillary works. The design work has established that the Air Source Heat pumps cannot be located on the roof as originally envisaged without significant reinforcement works. The preferred solution is to locate them at ground level as a less costly alternative. This will require some additional ground works and the locations available mean that slightly longer pipe runs will be required. In addition, there are some noise attenuation works that are required to ensure there is no impact from the noise of the pumps on nearby properties and some additional electrical upgrade are required. The cost of the additional works are in the region of £370,000. It is proposed that these are funded from borrowing on the basis that the scheme will significantly reduce the Council's carbon footprint and in future years will mean that routine maintenance such as boiler replacement, light replacement and ceiling works will be avoided. The scheme will increase the electrical load but as the Stadium draws power from the recently constructed Solar Farm on St Michael's Golf Course it has the potential to reduce running costs of the Stadium over time.

To date a number of cost variations have been identified. These relate to:-

- Groundworks in preparation for the ASHP and additional pipework runs

- Power supply upgrades to include modification of existing power supply feed with Scottish power and
- noise attenuation schemes.

These costs have been offset by reducing the planned roofing installation and removing the replacement windows in the project as they have less carbon reduction impact on the project. The net effect of the changes is to increase costs for the project by approximately £370,000.

4.0 POLICY IMPLICATIONS

4.1 The retrofit of the DCBL Stadium and the decarbonisation of the heating system is in line with the Council's commitment to reduce its carbon footprint and the impact on the environment.

5.0 OTHER IMPLICATIONS

5.1 Investment in energy efficient measures has the potential to reduce the Council's energy costs and reduce carbon emissions.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton:

None

6.2 Employment, Learning and Skills in Halton:

Encouraging investment in energy-efficiency will benefit from lower carbon emissions, job creation, supply chain development and increased competitiveness and security of energy supply.

6.3 A Healthy Halton:

None

6.4 A Safer Halton:

None

6.5 Halton's Urban Renewal:

The transition to a low carbon economy can support the development of the local economy. Ensuring that future economic growth is decoupled from the consumption of fossil fuels and the inevitable carbon emissions.

7.0 RISK ANALYSIS

7.1 A risk register was developed as part of the original bid for funding and

will be monitored and updated by out term contractors.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None