

REPORT TO: Executive Board

DATE: 18 January 2024

REPORTING OFFICER: Executive Director Environment & Regeneration.

PORTFOLIO: Climate Change

SUBJECT: St Luke's & St Patrick's Decarbonisation Projects

WARD(S) Halton Lea & Halton View

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to seek Member approval in respect of the provision of capital funding to support the decarbonisation schemes at St Luke's and St Patrick's Care Homes following the submission of a bid to the Public Sector Decarbonisation Scheme (PSDS).

2.0 RECOMMENDATION: That

- 1) The provision of £1.609m of capital funding over a 2-year period, subject to the PSDS bid being successful, or £2.98m if the bid is unsuccessful, be agreed, to enable the decarbonisation works to proceed at both St Luke's & St Patrick's Care Homes; and**
- 2) Council be asked to approve this scheme for inclusion within the 2024/25 capital programme.**

3.0 SUPPORTING INFORMATION

3.1 In line with the Council's commitment to be carbon neutral by 2040, and in accordance with our Climate Change Action Plan 2022-27 funding has been sought for undertaking decarbonisation works at both St Luke's and St Patrick's Care Homes by submitting a bid to the PSDS. The outcome of the bid should be announced prior to the end of January 2024. A second bid has been submitted covering 3 Corporate sites; this will be subject to another report in due course should the bid be successful.

3.2 Exec Board gave approval to proceed with the refurbishment of the Care Homes on 16th June 2022, min EXB6. The proposal to enter into a procurement exercise via the RISE framework and make a direct award to Eric Wright Construction was further endorsed by

Exec Board on 15th September 2022, min EXB 28.

3.3 The proposed decarbonisation works are of high priority, given that refurbishment works will commence at both sites in 2024. The decarbonisation works at both sites consist of electrifying the heating system via the installation of air source heat pumps, upgrading the electrical infrastructure to create for same, together with the installation of Solar/PV panels at roof level. The works also include for upgrading the insulation and improved draft proofing measures. The project costs inclusive of all fees are estimated to be £1.574m at St Luke's and £1.406m at St Patrick's making a total project cost of £2.98m.

3.4 The PSDS has certain criteria which only allows funding of certain elements of the work, and the level of funding available is limited to £325 per tonne of carbon saved over the lifetime of the building. The proposals at St Luke's and St Patrick's are estimated to save 199 tonnes of carbon per annum which has resulted in the bid amount being £1.371m, meaning that the Council's contribution would need to be £1.609m, subject to the bid being successful. If the bid is unsuccessful funding of £2.98m would be required to undertake all the work.

3.5 Should the bid be successful the funding has to be spent within a 2-year period as such all the work would need to be completed by 31st March 2026 which is feasible.

3.6 It is proposed that the decarbonisation works to both Care Homes will be undertaken by Sure Group, Sure Maintenance, being our main mechanical term contractor working in conjunction with Eric Wright Construction.

4.0 **POLICY IMPLICATIONS**

4.1 The Council declared a climate emergency in October 2019 and in doing so committed to reducing, as rapidly as possible, carbon emissions from our business activities, and to strive towards ensuring all Council activities become carbon neutral.

4.2 The above proposals are also in-line with the future key actions as identified in the Council's Climate Change Action Plan 2022-27.

5.0 **FINANCIAL IMPLICATIONS**

5.1 The estimated costs provided are based on design work to RIBA stage 2, which was undertaken to allow for the bid to be submitted. If funding is secured the designs will be taken through to RIBA stage 4 following which a detailed costing exercise will be undertaken, which will be overseen by cost consultants to ensure that value for money is obtained.

- 5.2 The work will be undertaken over a 2-year period as the programme for the refurbishment works at St Patrick's means that the new build element will be constructed first, this being programmed for 2024/25. This will then allow the decanting of residents into the completed new build to take place following which the refurbishment works inclusive of the decarbonisation elements can take place which is programmed for 2025/26 so the capital funding covers a 2-year period.
- 5.3 The Council receives income quarterly from three roof top solar schemes that were installed some years ago. The income will continue to 2037 and is indexed linked to inflation. In the early years the income was used to repay the capital costs of the scheme, but this was repaid some years ago leaving an ongoing income stream. It is proposed that a proportion of the income from the scheme be used to reduce the £1.6m capital contribution of the projects at the two Care Homes. It is estimated that the income in the remaining years to 2037 could contribute in the region of £500k to the project costs.
- 5.4 Energy Savings from the roof top solar on the Care Homes as part of the projects could also be used as income once the capital costs have been repaid. This would increase the contribution, but further analysis will be required to assess this which will be undertaken once the solar schemes have been fully designed. At this stage it is estimated that the solar installations could save us in the region of £30k to £35k per annum.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

None

6.2 **Employment, Learning & Skills in Halton**

None

6.3 **A Healthy Halton**

None

6.4 **A Safer Halton**

None

6.5 **Halton's Urban Renewal**

None

7.0 **RISK ANALYSIS**

7.1 The risk of not proceeding with the proposals is that our commitment to become carbon neutral by 2040 will be at risk as without electrifying the heat and hot water provision at all our sites by then we will not achieve that goal.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 There are no equality and diversity issues arising as a result of the proposals.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 The proposals have a direct impact on the Council's commitment to be carbon neutral by 2040. The works are collectively estimated to save 199 tonnes of carbon per annum,

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

Climate Change Action Plan 2022-27- available via Council Website