



Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Mark Billington, Corporate Director Environment	Councillor Lesley McKay, Resources Portfolio Holder	13 July 2023

Acceptance of Low Carbon Skills Fund grant and appointment of consultants

1. Purpose of report

- 1.1 To seek approval to accept a grant from Salix as part of the Phase 4 Public Sector Low Carbon Skills Fund (LCSF) for the creation of heat decarbonisation plans and detailed designs for eligible council-owned buildings utilising gas heating systems.

2. Outcomes

- 2.1 Access to the skills and expertise needed to produce heat decarbonisation plans and detailed designs for removing gas from council-owned buildings and installing alternative renewable energy solutions.
- 2.2 Detailed understanding of the costs, savings, benefits and actions needed to be taken to decarbonise our buildings.
- 2.3 Demonstrating a strong commitment towards achieving our net zero target.

3. Recommendations

- 3.1 That approval is given to accept the LCSF grant of £177,728 for heat decarbonisation plans and detailed designs of council owned buildings with a reliance on gas heating systems.
- 3.2 That approval is given to appoint Parker Wilson to complete the works via the NEPRO 3 framework operated by Bloom Procurement Services, as an exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules, on the grounds that exceptions apply where a framework is available that necessitates the Council not having to go out to tender and the goods, works and services will still provide the Council with the best value for money.

4. Background

- 4.1** The council declared a climate emergency on 11 July 2019. This committed the council to making its activities net zero by 2050. An intermediate target of reducing emissions by 78% by 2035 was agreed on 8 July 2021, to reflect the government's revised target.
- 4.2** As part of this declaration, the council committed to achieving 100% clean energy across the council's full range of functions by 2050. The Baseline Carbon Footprint Report identified that gas heating and electricity use account for approximately two thirds of the council's carbon footprint. In order to meet this target, it is clear that decarbonising the council's buildings are a key priority.
- 4.3** Wyre Council have previously been awarded £999,468 from the Phase 3a Public Sector Decarbonisation Scheme (PSDS) for works to decarbonise Fleetwood Market, involving retrofitting the site to improve energy efficiency and replacing the gas boilers with air source heat pumps.
- 4.4** The Department of Energy Security and Net Zero have since released funding for Salix Finance to provide the LCSF. This enables the public sector to access specialist skills and advice to produce heat decarbonisation plans/detailed designs for their estate. These plans are necessary to prepare for future rounds of the PSDS, to complete the identified decarbonisation works.
- 4.5** Following a successful bid, the council has been awarded £177,728 from Phase 4 of the LCSF. This covers buildings that are heated by gas which, as a fossil fuel, emits carbon dioxide when burned and is a major driver of climate change. As such, the eight council buildings eligible for specialist designs as part of the grant include:
- Wyre Civic Centre
 - Thornton Little Theatre
 - Copse Road Depot
 - Fleetwood Leisure Centre
 - Poulton Leisure Centre
 - Thornton Leisure Centre
 - Garstang Leisure Centre
 - Garstang Swimming Pool

5. Key issues and proposals

- 5.1** The total grant award is £177,728 funded by Salix Finance through Phase 4 of the LCSF. For the eight council buildings currently heated by gas, this includes:
- Surveys and completion of heat decarbonisation plans per site.
 - Identification of suitable sites for energy efficiency improvements and alternative heating upgrades.

- Calculation of the carbon and energy savings via the implementation of low and zero carbon technologies and alternative heating systems.
- Production of detailed design drawings, specifications and budget costs up to RIBA stage 4.
- Review of the incoming mechanical (heating, hot water generation, cold water service feeds, gas and mechanical ventilation) and electrical (electrical distribution associated with changes to the heating system) services requirements and procurement of quotations for new or amended services.

5.2 A key stipulation of the grant is that the works must be completed by 28 March 2024 and final payment requests must be submitted by 12 April 2024. Monitoring reports are to be submitted to Salix throughout the year.

5.3 Where a local authority provides exempt services and incurs Value Added Tax (VAT) on expenditure associated with an exempt service, it is still able to fully reclaim the VAT on expenditure incurred, but such VAT is considered against a limit of 5% of total VAT expenditure reclaimed. This is known as the partial exemption limit. Some of the buildings referred to in this report provide exempt services and so any expenditure incurred would form part of the partial exemption calculation. The funding has been considered against the partial exemption limit and there is sufficient capacity to cover this level of expenditure; should future expenditure come forward as a result of these plans and designs, this would need to be considered at the time.

5.4 The council has previous experience working with Parker Wilson to complete PSDS decarbonisation work at Fleetwood Market, in addition to ad hoc maintenance work. It is recommended that we appoint Parker Wilson through the NEPRO 3 framework, operated by Bloom Procurement Services, owing to their experience delivering Salix grants, their experience working with the council and their knowledge of council sites within the borough. NEPRO 3 is a compliant procurement framework which assist the UK public sector to buy and manage specialist professional services. Bloom Procurement Services are the exclusive operator of the NEPRO solution on behalf of NEPO (the North East Procurement Organisation). NEPRO 3 is the third evolution of the solution.

5.5 Without LCSF funding, Wyre Council would have to rely on internal funding for the heat decarbonisation plans and detailed designs for all eight sites. Accepting the grant enables the council to prepare for the next stage of the PSDS, which will fund the designs prepared as a result of this grant.

6. Delegated functions

6.1 The matters referred to in this report are considered under the following executive functions delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution):

"To consider the Council's strategic direction in relation to asset management including the management, repair, maintenance and use of the Council's land and buildings" and "To consider departures from Rules relating to financial and contractual matters if appropriate".

Financial and legal implications	
Finance	The total grant funding we will obtain is £177,728 from Phase 4 of the LCSF, managed by Salix Finance. Payment of the grant will be monthly from September 2023 to May 2024. The council must cover any overspend generated throughout the project. VAT implications have been considered and at present there is capacity to cover this expenditure level without exceeding the councils partial exemption limit. This work will inform future capital investment and maintenance projects.
Legal	The council would have to sign a contract to deliver the project by 28 March 2024, agreeing to the Terms and Conditions set out within the grant offer letter. The award of the contract under the framework agreement referred to in the report complies with the exemptions contained in the Council's contract procedures contained within the Financial Regulations and Financial Procedures Rules.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	✓
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	✓
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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