

Hambleton District Council

Report To: Cabinet

Date: 9 March 2021

Subject: **Public Sector Decarbonisation Scheme**

Portfolio Holder: Leader
Councillor M S Robson

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 To seek approval from Cabinet and Council for the acceptance of a Government grant of £4,724,763 to assist the Council in implementing a range of initiatives that aim to significantly reduce the carbon emitted by its leisure centres.
- 1.2 In 2020 the Government announced a £1bn decarbonisation fund to encourage green investment, supporting the Government's net-zero and clean growth goals. The scheme is for capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings, including central government departments and non-departmental public bodies in England, to deliver the following objectives:
- Deliver stimulus to the energy efficiency and heat decarbonisation sectors, supporting jobs;
 - Deliver significant carbon savings within the public sector.
- 1.3 Working with the Council's development partner Alliance Leisure Services, the appointment was made of a specialist company, Leisure Energy, to undertake energy audits of the HDC leisure centres. In light of the opportunities these audits presented work was then undertaken with our partners to submit bids to the Government scheme in January 2021. At this stage the emphasis was on 'getting our foot in the door' in the hope that the Council might be awarded a relatively modest amount. The bid totalled £4,724,763 for 7 schemes across the four leisure centres which extended to:
- Air Source Heat Pumps
 - Solar Power
 - Building Management System Upgrades
 - New Lighting
 - Battery Storage
 - Smart Metering
 - Electrical Infrastructure

The headline figures from the application were:

| | | | |
|---------------------------|-----------------------------------|---|------------------------------------|
| Total cost: £4,724,763 | Annual cost saving: £38,985 | Annual CO ₂ saving (tonnes): 708 | CO ₂ saving %: 57.4% |
|---------------------------|-----------------------------------|---|------------------------------------|

- 1.4 Despite the scheme being significantly oversubscribed the Government has informed the Council that the single application, for all works totalling £4,724,763, has been successful, subject to providing an in-principle consent, which it has done pending Cabinet and Council consideration. The timescales for this scheme are exceptionally tight, with the Government intending to provide the grant in full to the Council by 31 March 2021. The expectation is that works on the initiatives will start by the same date and be completed by Autumn 2021. These works will need to be integrated with the Capital Programme approved at Cabinet in February 2021, including the development of Thirsk and Sowerby Leisure Centre. A review of the Capital Programme will be undertaken to ensure efficiency and deliverability, with any necessary amendments being brought to Cabinet for its consideration.

2.0 Link to Council Priorities

- 2.1 The reduction in carbon emissions from its facilities is integral to the Council's Caring for the Environment priority.

3.0 Risk Assessment

- 3.1 There are no significant risks in approving the recommendations.

4.0 Financial Implications

- 4.1 The Section 151 Officer is satisfied with the Government's proposed Section 31 method of payment. Any significant impacts upon the Capital Programme as a consequence of implementing the Decarbonisation Scheme will be brought to Cabinet for consideration. The scheme funds can only be spent on the delivery of the project, with overspends being met by the Council unless prior permission is given by the Department of Business, Energy and Industrial Strategy (there is also the potential for the scope of the project to be reduced). Underspends will be returned to the Government.

5.0 Legal Implications

- 5.1 The relevant draft documents have been reviewed to the satisfaction of the Director of Law and Governance. The draft Memorandum of Understanding (MoU) requires the provision of comprehensive monitoring data, but it does not impose any performance targets for the Council to achieve once the project is completed.

6.0 Equality/Diversity Issues

- 6.1 Equality and diversity issues have been considered, however there are no issues associated with this report.

7.0 Recommendations

- 7.1 It is proposed that Cabinet agrees and recommends to Council that:

- (1) the grant offer detailed within section 1 of this report is formally accepted, and

- (2) any significant changes to the Capital Programme as a consequence of implementing the decarbonisation initiatives are brought to Cabinet for its consideration.

Steven Lister
Director of Leisure & Communities

Background papers: None

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