



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5 day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

17/02/2021, Public Sector Decarbonisation Grant funding for energy improvements to Local Authority assets. Decision to: --

Authorise the Executive Director for Environment, Economy and Resources in consultation with The Leader of the Council to accept the grant funding in principle on behalf of the Council.

Delegate to the Executive Director for Environment, Economy and Resources in consultation with the Leader of the Council, the authority to accept the final grant offer and deal with all matters arising from and ancillary to the above including negotiation with the funder, implementation and award of resultant contracts and works.

Delegates to the Assistant Director Law, Governance and Assets the responsibility to execute all documentation arising.

2. Subject and details of the matter (to include reasons for the decision)

Grant funding of around £2.9 million pounds from the Department for Business, Energy and Industrial Strategy (BEIS) as managed by Salix, was accepted by NELC in February 2021. The purpose of the funding was to improve energy efficiency in NELC owned non-domestic buildings and Beacon Academy, including design, engineering, construction and project management cost. All works funded by this grant opportunity requires completion by 30th September 2021.

Invitations to tender were sent out through YORtender for works at Innovation Centre on the 31st March 2021 with a closure date of 30th April 2021. The tender included five options requesting quotes for work from bidders. An extension of time was granted of 2 days at the request of one of the tenderers to allow time for costings to be returned. An arithmetical and technical appraisal of all companies submitting the tender has been carried out.

3. Decision being taken

To award the successful tender to complete works to the Innovation Centre to Watt Energy Saver Ltd to include the following works:

Full conversion to install 300kW air source heat pump to achieve a replacement from Gas Heating to Air Source Heat Pump, and solar roof array, which is compliant with both with agreed grant funding allocation, quality requirements, and was evaluated as the Most Economically Advantageous Tender.

The total value of the works is: £450,399.04

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

Yes, to allow award of contract within time scales to make the project deliverable.

5. Anticipated outcome(s)/benefits

Completed energy efficiencies to the Innovation Centre will contribute to making this a carbon neutral site in line with the Councils Local Climate Ambitions and also deliver a saving to energy cost for heating the building.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

Option One: Partial conversion of 50kW Gas Heating to ASHP, to include solar car port and solar roof array. This would be a lower cost option but would leave the building still reliant on gas central heating during the colder months. This would further require further energy improvements in the future if the Council is to reach their ambition of zero carbon emissions.

Option Two (Recommended): Full conversion to install 300kW system and replacement from Gas Heating to ASHP to include solar roof array.

Option Three: Partial conversion of 50kW Gas Heating to ASHP, to include solar car port and solar roof array and the inclusion of the battery storage and EV chargers. This would be a lower cost option, but would leave the building still reliant on gas central heating during the colder months. This would further required further energy improvements in the future if the Council is to reach their ambition of zero carbon emissions.

Option Four: Full conversion to install 300kW system and replacement from Gas Heating to ASHP to include solar car port and solar roof array and the inclusion of the battery storage and EV chargers. This would achieve additional environmental benefits than option 2, but the cost would exceed the grant funding available and require further Council Capital Investment.

Option Five: Abort the scheme. This would not deliver any energy savings to this building and would require the Council to return awarded grant funding to the provider.

7. Background documents considered (web links to be included and copies of documents provided for publishing)

Cabinet Report

<https://democracy.nelincs.gov.uk/wp-content/uploads/2021/02/5.-Public-Sector-Decarbonisation-Grant-funding-for-Energy-Improvements-to-Local-Authority-assets.pdf>

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision to award the contract is consistent with the Cabinet decision and delegations dated 17th February 2021. The procurement exercise has been conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015, and supported by relevant officers. Legal Services will support the completion of the contractual documentation on award.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The cost of the works will be funded through external grant. The scheme is incorporated within the Council's approved Capital investment Programme.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications.

13. Risk Assessment (in accordance with the Report Writing Guide)

There is a reputational risk to the Council should we be seen to not be able to deliver energy improvement works, leading to a requirement to return grant funding.

14. Has the Cabinet Tracker been updated with details of this decision?

Yes

15. Decision Maker(s):

Name: Sharon Wroot

Title: Director of Environment,
Economy and Governance

Signed: REDACTED

Dated: 16th June 2021

16. Consultation carried out with Portfolio Holder(s):

Name: Cllr Phillip Jackson

Title: Leader of the Council

Signed: REDACTED

Dated: 16 June 2021

17. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name: Councillor Tom Furneaux

Title: Chair of the Economy Scrutiny Panel

Signed: Approved via email

Dated: 16th June 2021

Key Decisions are defined in the Constitution as:

A decision (whether taken collectively or individually by members) which is likely:

- (i) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.

A decision will be considered financially significant if:

- (i) in the case of revenue expenditure, it results in the incurring of expenditure or making savings of £350,000 or greater;
- (ii) in the case of capital expenditure, the capital expenditure/savings are in excess of £350,000 or 20% of the total project cost, whichever is the greater

In determining whether a decision is significant in terms of its effect on an area comprising two or more wards, consideration shall be given to:

- (i) the number of residents/service users that will be affected in the wards concerned;
- (ii) the likely views of those affected (i.e. is the decision likely to result in substantial public interest)
- (iii) whether the decision may incur a significant social, economic or environmental risk.

APPENDIX 1 – EMAIL APPROVAL

From: Cllr Tom Furneaux (NELC) <Tom.Furneaux@nelincs.gov.uk>

Sent: 16 June 2021 12:39

To: Carolina Borgstrom (NELC) <Carolina.Borgstrom@nelincs.gov.uk>

Cc: Democracy <Democracy@nelincs.gov.uk>

Subject: Re: URGENT: Request for approval of ODR as an Urgent Decision

Afternoon Carolina

I can confirm that this is approved

Kind Regards

Cllr Furneaux

From: Carolina Borgstrom (NELC) <Carolina.Borgstrom@nelincs.gov.uk>

Sent: Wednesday, June 16, 2021 12:34 pm

To: Cllr Tom Furneaux (NELC)

Cc: Democracy

Subject: URGENT: Request for approval of ODR as an Urgent Decision

Dear Cllr Furneaux,

In your capacity as chair of Economy Scrutiny, could you please confirm your approval of the two enclosed ODRs to be considered as urgent and therefore exempted from call in. The decision has already been approved by Cllr Jackson as the portfolio holder and Sharon Wroot, Director of Environment, Economy and Resources.

As you may be aware, as part of our local climate ambitions we have embarked on an ambitious programme of building improvements. We were fortunate to secure 100% grant award in February 2021 for £2.9 million work to our public buildings.

We are now at the stage where most procurement is complete. This has revealed a large increase in cost for some common energy improvement measures such as heat pumps and solar installations. Advice from our regeneration partner, supported

by industry bodies is that this is unfortunately a national trend due to high demand and slow recovery of some supply chains post Covid.

We cannot delay works until the market recovers as grant requirement is completion by September 2021. Instead our options are to either supplement cost out of Council Capital, or re-profile the work to achieve as much as we can within the grant amount awarded. Enclosed ODR explaining the reason behind the required changes and sets out a decision to re-profile work in a way that would not cause any additional pressure on the already stretched capital programme.

To ensure we can award contracts swiftly to deliver these works before end of September we will need to take a decision quickly on the direction, hence the urgency.

If you require any further information, please let me know,

Kind Regards,

Carolina Borgstrom, Assistant Director, Environment

North East Lincolnshire Council

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