

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

08 July 2024

Report of the Interim Chief Executive

Part 1- Public

Executive Non Key Decisions

Matters for Recommendation to Council

1 **DECARBONISING AND ENERGY EFFICIENCY CAPITAL PLAN SCHEMES**

Following the Council's successful applications for grant funding relating to several decarbonising and energy efficiency projects, this report brings forward several projects under the existing List A capital plan scheme 'Decarbonising the Council's Estate' to enable the Council to progress those projects, as well as projects being funded directly by the Council, to help deliver our Climate Change Strategy.

1.1 Introduction

- 1.1.1 One of the Council's four key priorities set out in the Corporate Strategy 2023-2027 is 'Sustaining a borough which cares for the environment', with one of the priorities being to 'deliver climate change plans which focus on cutting emissions and increasing biodiversity'.
- 1.1.2 The Council's Climate Change Strategy is a key document which helps support those priorities and one which we use to actively assess opportunities to reduce the carbon emissions from our estate as well as to improve energy efficiency and therefore reduce energy costs.
- 1.1.3 Members will be aware that the largest utility users within the Council's estate are the leisure centres, due to both the size of the facilities and also the need to maintain high levels of air and water temperatures, meaning we have focused our efforts in assessing where improvements can be made to those facilities.

1.2 External Grant Awards

- 1.2.1 Members will be aware that the Council was successful in its two recent applications for external grant funding.
- 1.2.2 The first was through the Government's Swimming Pool Support Fund (SPSF) scheme in January 2024, which included an award of £393,000 for the installation of additional solar PV and £12,039 for the installation of LED lighting in pool related areas, both at Larkfield Leisure Centre.

- 1.2.3 The grant needs to have been spent by March 2025 and includes several conditions the Council must adhere to, including the regular reporting of progress and installation of sub-metering to be able to effectively monitor energy usage.
- 1.2.4 The second was through the Public Sector Decarbonisation Scheme in March 2024, which included an award of £1,164,760 for the installation of air source heat pumps to serve the fitness pool at Larkfield Leisure Centre.
- 1.2.5 The grant needs to have been spent by March 2026 and includes several requirements which the Council must meet, including the regular reporting of progress and a requirement to fund at least the like-for-like cost of replacing the current gas boilers, or 12% of the total project value, whichever is the higher. It is recommended the Council allocate £175,000 for this purpose.
- 1.2.6 It should be noted that the figures set out above are pre-tender estimates of costs.
- 1.2.7 Now that we know the fund amounts being awarded we have been able to assess which projects need to be progressed and therefore what capital plan schemes need to be established.

1.3 Additional Projects

- 1.3.1 In addition to the projects for which external funding has been obtained, there are several other projects which are either linked to those set out above or had already been approved by the Council utilising its own funding. These projects are set out below:

Solar PV Installation at Tonbridge Swimming Pool

- 1.3.2 This project saw the installation of 150 solar PV panels on the roof at Tonbridge Pool, generating approximately 65,000 kWhs per annum, with an estimated CO2 saving of 12.7 tonnes per annum and a saving in electricity of approximately £15,000 per annum.

- 1.3.3 The installation was completed in March this year at a cost of £110,000.

LED Lighting Installation at Tonbridge Swimming Pool

- 1.3.4 This project saw the installation of 146 LED lights throughout the facility to replace older fittings, with an estimated CO2 saving of 9,000 kg per annum and £7,800 of saving in electricity.

- 1.3.5 The installation was completed in December 2023 at a cost of £22,000.

LED Lighting Installation at Larkfield Leisure Centre

- 1.3.6 This project will see the installation of approximately 340 LED lights throughout the facility to replace older fittings, with an estimated CO2 saving of 17,660 kg per annum and £15,000 of saving in electricity the result.

- 1.3.7 It is anticipated this project will be completed by December 2024 at a cost of £60,000.

Re-Felt of Flat Roof Areas at Larkfield Leisure Centre

- 1.3.8 The flat roof areas on which the additional solar PV would be installed at Larkfield Leisure Centre, utilising the external grant funding, are currently felted, which has been in place for at least 20 years and is showing signs of deterioration in the form of blisters developing and water ingress occurring in some localised areas. While the felt is not in need of urgent replacement, it will certainly require replacing within the next 3-5 years and would necessitate the removal of any PV array in order to complete the work.
- 1.3.9 It is therefore recommended that the felt be renewed now, prior to the installation of the PV system. By carrying out this work while the existing felt is still predominantly watertight it means the existing felt can be overlaid, saving the time and cost of having to remove it. This work will come with a 25-year guarantee.
- 1.3.10 The current roof area benefits from 40mm of PIR rigid board insulation. However as part of the re-felting work we are proposing to install an additional 100mm of insulation to improve the thermal efficiency of the building thereby helping to reduce energy usage and reduce operating costs.
- 1.3.11 As part of the insulation installation a fire rated boarding will be included to satisfy the requirements of the Council's insurers.
- 1.3.12 A specification for the re-felt has been developed and is currently out to tender. If Members approve the proposed capital scheme (see below) it is anticipated that works would commence in early September and be complete by the end of October this year. This will then allow the installation of the PV system thereafter, and by March 2025.
- 1.3.13 The estimated cost of the work is £575,000, which can be broken down as follows:
- Re-felt - £300,000
 - Insulation improvements - £175,000
 - Fire proof board - £100,000

Sub-Metering at Larkfield Leisure Centre and Tonbridge Swimming Pool

- 1.3.14 One of the requirements of the SPSF external grant (obtained for the installation of solar PV at Larkfield Leisure Centre) is that the Council installs sub-metering throughout the site to assist in the monitoring and management of energy usage.
- 1.3.15 Although Tonbridge Pool was not awarded any funding, it is recommended that sub-metering also be installed so that a consistent approach can be taken to energy monitoring, management and reduction at both sites.

1.3.16 It is anticipated this project will be completed by March 2025 at a cost of £75,000. It is proposed this project is funded from the Council's UK Shared Prosperity Fund allocation, which for 2024/25 includes an allocation of £75,000 toward energy efficiency measures at Larkfield Leisure Centre and Tonbridge Swimming Pool as part of their carbon descent plans.

1.4 Capital Plan Scheme

1.4.1 Members had previously approved the capital plan scheme 'Decarbonising the Council's Estate (P06AM)'. The scheme was submitted and approved at a time when we were still waiting to hear whether our external grant applications were successful and so was based on Council funding of £430,000 and external funding of £800,000, leading to an overall budget of £1,230,000. This scheme included PV and LED installation at Tonbridge Pool and LED installation at Larkfield Leisure Centre.

1.4.2 Now that we know which elements of the applications were awarded funding, the suggestion is that all of the projects outlined in this report form part of the 'Decarbonising the Council's Estate' capital scheme.

1.4.3 It is recommended that the budget for all of the projects are held at the P06AM level, with funding then being allocated to the individual projects as set out below, recognising that most of these are pre-tender estimates and that funding allocation to individual projects may need to be reviewed once tendered prices are known, from the totals set out.

Project	TMBC Funding	External Funding
Air source heat pumps at Larkfield Leisure Centre	£175,000	£1,164,760
Solar PV at Larkfield Leisure Centre	£0	£393,000
Solar PV at Tonbridge Pool (completed)	£110,000	£0
LED at Tonbridge Pool (completed)	£22,000	£0
LED at Larkfield Leisure Centre	£48,000	£12,039
Re-felt and roof insulation upgrade at Larkfield Leisure Centre	£575,000	£0
Sub-metering at Larkfield Leisure Centre and Tonbridge Pool	£0	£75,000
Total	£930,000	£1,644,799

1.4.4 Although the individual projects will be progressed under the main 'Decarbonising the Council's Estate' capital plan scheme, individual project evaluations for the new schemes can be found at:

- Installation of air source heat pumps at Larkfield Leisure Centre (**Annex 1**)
- Installation of solar PV at Larkfield Leisure Centre (**Annex 2**)
- Re-felting of roof areas at Larkfield Leisure Centre (**Annex 3**)

1.4.5 An additional £500,000 of Council funding would be required as part of the updating of the 'Decarbonising the Council's Estate' capital plan scheme, which could be added from a combination of the revenue reserve for capital schemes and the Climate Change Reserve.

1.5 Legal Implications

1.5.1 The matters set out in this report are considered routine or uncontroversial.

1.5.2 There are numerous conditions under the two external grant schemes which the Council must comply with, this includes regular reporting to the grant operators.

1.5.3 If approved, appropriate contracts would be entered into with companies to deliver the works.

1.6 Financial and Value for Money Considerations

1.6.1 Quotations and tenders will be sought in line with the Council's financial procedure rules, including the use of frameworks where appropriate.

1.6.2 The projects are being discussed with the Mid-Kent Procurement Partnership as part of the arrangement the Council now has in place to provide procurement support.

1.6.3 In respect of the re-felt work at Larkfield Leisure Centre it is proposed the LHC RS4 Roofing Systems Framework is utilised. This will involve six registered companies being invited to tender for the work.

1.6.4 For the installation of solar PV at Larkfield Leisure Centre it is proposed the Laser Consult, Design, Install Framework is utilised. The existing installations at Larkfield Leisure Centre and Tonbridge Pool were completed via this framework and were delivered successfully.

1.6.5 For the installation of air source heat pumps at Larkfield Leisure Centre it is proposed an open tender exercise be undertaken.

- 1.6.6 The installation of energy efficiency measures, such as solar PV, LED lighting and roof insulation, will result in reduced energy usage and therefore reduced cost. Under the management agreement with the Leisure Trust, they are responsible for the cost of utilities, with the Council providing protection against tariff costs rising above CPI, subject to conditions.
- 1.6.7 The Leisure Trust will benefit from the savings resulting from the installation of the energy efficiency projects, which in turn will reduce the Council's exposure to the tariff protection clause.
- 1.6.8 It is proposed the additional £500,000 of Council funding be met from the Climate Change Reserve (£275,000) and Revenue Reserve for Capital Schemes (£225,000). This would be drawn from the £750,000 being allocated from the recent VAT windfall, which Cabinet approved under decision number CB23/105.

1.7 Risk Assessment

- 1.7.1 If the projects relating to external grant funding are not completed by the stipulated end date or are not progressed in line with the conditions of those grants, the Council would need to hand the money back.
- 1.7.2 If the roof areas are not re-felted in advance of the solar PV being installed at Larkfield Leisure Centre it would result in the PV installation having to be removed at a future date to allow the work to take place, adding complexity, cost and a period where the panels were not generating renewable electricity.
- 1.7.3 If the fire rating boarding is not included in the re-felt work the Council's current insurers have said they would not be able to provide an adequate level of insurance cover for the building.
- 1.7.4 In totality, if these projects are not progressed it would impact on the Council's ability to meet its Climate Change aspirations, as referenced in the Council's Strategic Risk Register, increasing the current scoring.
- 1.7.5 Following Members' decision to enter into the Mid Kent Procurement Partnership, the risk associated with undertaking large procurements such as these has decreased as we are able to draw on specialist advice to ensure the Council is achieving value for money.

1.8 Equality Impact Assessment

- 1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Policy Considerations

1.9.1 Climate Change

1.9.2 Asset Management

1.9.3 Procurement

1.10 Recommendations

1.10.1 Cabinet is asked to **RECOMMEND** to Council to:

1.10.2 Approve the updating of the 'Decarbonising the Council's Estate' List A capital scheme as outlined in the report, reflecting the revised figure of £1,644,799 attributable to external grant funding and increasing TMBC's contribution by £500,000 to the scheme, with £225,000 being met from the Revenue Reserve for Capital Schemes and £275,000 from the Climate Change Reserve, and;

1.10.3 Cabinet is **RECOMMENDED** to:

1.10.4 Approve the suggested procurement routes, as set out in Section 1.6 of the report, as required by paragraph 8.1 of the Council's Contract Procedure Rules.

Background papers:

contact: Stuart Edwards

Nil

Adrian Stanfield
Interim Chief Executive