

## Delegated authority officer decision notice

<b>Decision made by</b>	Andrew Busby – Head of Development and Corporate Landlord
<b>Lead officer contact details</b>	Ben Whaymand – Leisure Facilities Team Leader  Tel:07767657594 Email: <a href="mailto:ben.whaymand@southandvale.gov.uk">ben.whaymand@southandvale.gov.uk</a>
<b>Decision</b> (Keep this succinct)	To award a main contractor under a Pre-construction Services Agreement (PCSA) following the completion of satisfactory evaluations for the design to Royal Institute of British Architects (RIBA) stage. In respect of the de carbonisation projects at White Horse Tennis and Leisure centre and at Wantage Leisure Centre in consultation with the Head of Finance and with the Cabinet Member for Finance and Property to award the first stage of the 2 stage tender process.  Following award to enter into the PCSA contract with ASHE Construction Ltd after successful evaluations with a weighted score of 88 per cent and within the allocated agreed budget.
<b>Key decision?</b> (see notes below)	Yes
<b>If key decision, has call-in been waived by the Scrutiny Committee chair(s)?</b>	Yes
<b>Confidential decision, and if so under which exempt category?</b>	N/A
<b>Delegated authority reference from the constitution</b>	Section 2 Key Financial and Procurement Thresholds and Table 2 being Executed by an Authorised Signatory of the Council approved at Cabinet on Friday 8 March.
<b>Risks</b>	Should the award of a main contractor not be agreed then some of the Year 1 Salix grant will be lost. The process of a 'Change Request' will then need to be explored or an alternative decision would be to scale back or terminate the delivery of the project.  If the project is terminated future applications under the Salix grant process could be seen as less likely to be successful due to the background of the Phase 3b project being terminated and the resulting lack of confidence from Salix in the council being able to deliver decarbonisation project in the future. Direct project related delivery risks are agreed and part of the process of consultancy management during the process main contractor delivery.

<p><b>Reasons for decision</b></p>	<p>Approval was given at Cabinet on Friday 8 March 2024 to authorise the award of a main contractor by way of delegated authority to the Head of Development and Corporate Landlord in consultation with the Head of Finance and the Cabinet Member for Finance and Property to enter a Pre-Construction Services Agreement for Stage 1 and the second stage for the full project delivery under a Joint Contracts Tribunal Design &amp; Build contract.</p> <p>The budget for the Phase 3b scheme has been approved as part of the 2023/24 and 2024/25 council's financial years which includes the council's contribution via Community Infrastructure Levy funds and Salix Phase 3b grant. As the winning Tender is within the current approved budget the Head of Development and Corporate Landlord in consultation with the Head of Finance and Cabinet Member for Finance and Property can take this decision.</p> <p>Acceptance is within the parameters set in the Constitution which allows variations between budgets of up to £20,000 or five per cent of the total relevant budget (whichever is greater) within a year and between any relevant budgets or between budgets for capital projects.</p> <p>The Public Sector Decarbonisation Scheme (PSDS) Phase 3b was announced by Government on 2 August 2022. This scheme allows local authorities and other public sector bodies to apply for funding to install low carbon heating systems at sites where the heating systems are end of life.</p> <p>The Council submitted a bid to install air source heat pumps and solar energy at two sites, WHLTC and WLC with insulation, glazing and pump motor improvements where required.</p> <p>Following a successful bid process, a Grant Offer Letter (GOL) dated 16 January 2023 confirmed that the Department for Energy Security and Net Zero has made funding available of £5,992,916 to enable Salix Finance to assist Vale of White Horse District Council's decarbonisation programme by carrying out both projects at the White Horse Leisure and Tennis Centre (WHLTC) and Wantage Leisure Centre (WLC).</p> <p>The PSDS also required the council to cover the cost of a like for like fossil fuel heating system or a minimum of 12 per cent of scheme costs, whichever is the higher. The like for like cost for the combined Vale sites is around ten per cent of scheme costs, therefore a small additional council contribution was required to meet this criterion.</p> <p>An ICMD was approved on the 20 January 2023, to accept the grant by way of a GOL for the terms set out as part of the grant and agreed the financial commitment of £2,154,831 towards delivery of both projects which is funded via Community Infrastructure Levy (CIL) and Oxfordshire County Council (OCC) contributions. This will in part be shared with OCC, who are required to contribute 50 per cent of costs toward projects at Wantage Leisure Centre, through a Joint Use</p>
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	<p>Agreement, and agreed with OCC property team as part of their budget spend. The financial commitment is broken down as follows:</p> <p>The projects for both WHLTC and WLC are split in terms of the grant funding. Currently in Year 1 (2023/24) the council has a Salix PSDS Phase 3b grant of £1,822,332 to spend, and in Year 2 (2024/25) the grant remaining is £4,170,584. Unspent monies cannot be carried forward to future financial years.</p> <p>Officers are now progressing with spending the Year 1 2023/24 grant of £1,822,332 and are seeking the employment of a main contractor.</p> <p>A Cabinet paper approved the procurement process and accepted the risks as set out therein on Friday 8 March 2024 and delegated authority to the Head of Development and Corporate Landlord in consultation with the Head of Finance and Cabinet Member for Finance and Property to enter a Stage 1 PCSA contract with the main contractor following a full evaluations process and moderation being conducted.</p> <p>The procurement for the services and works was undertaken through a framework (PAGABO) and commenced on Friday 16 February 2024. The tender closed at 12 noon on Friday 8 March 2024 with officers and consultants evaluating on 9 and 10 March 2024.</p> <p>The contract award is expected to take place during week commencing 18 March 2024 to meet the timeframe /conditions of the Salix grant funding.</p> <p>Entering into contract with a main contractor for Stage 1 will also allow the council to commit a five per cent retention charge to Salix forecasted in the financial spend.</p>
<p><b>Alternative options rejected</b></p>	<p>Officers need to proceed with this contract award for Stage 1. The alternative options are either to delay the contract award and lose some of the Salix Phase 3b grant funding in Year 1, which would mean finding alternative funding to make up for the lost grant or reducing the scope of the works to match the reduced funding available.</p> <p>Alternatively, the council could decide to take a decision to terminate the project entirely. These options could leave the council as being seen less favourably for future grant success with Salix and would not deliver against the current approvals for the schemes.</p>
<p><b>Legal implications</b></p>	<p>The council has accepted the grant funding and is bound by the terms and conditions set out within the agreement unless varied by agreement with Salix. This means that if all the Year 1 funding cannot be committed within the financial year 2023/24 then the sum not committed is likely to be lost to the council. The Council is able to draw down from the PAGABO framework and is doing so by means of a mini competition.</p> <p>Under section 3 Payment of the Grant. Item 3.5 mentions that in the event of any overspend by the council in its delivery of the project</p>

	<p>outside of the sums set out in the Project Programme, or awarded in each financial year, the amount of such overspend shall be met by the council from its own funds unless Salix, in its absolute discretion:</p> <ul style="list-style-type: none"> <li>•3.5.1 agrees to increase the Grant by an amount equal to the overspend; or</li> <li>•3.5.2 agrees to adjust the Project Programme and/or reduce the Measures so as to ensure that the remaining Grant is sufficient to meet the remaining costs require for delivery of the Project.</li> </ul> <p>If the costs evaluated at tender stage are within the £8,147,747 allocated total budget and commitment to the £1,822,332 in Year 1 forecasted it is not anticipated a 'Change Request' needing to be made with Salix to continue with the project.</p>
<b>Financial implications</b>	<p>The Salix Phase 3b grant £1,822,332 in year 1 cannot be rolled over into year 2. This means there is a risk the £1,822,332 Year 1 grant for WHLTC and WLC Centre will not fully be spent by 31 March 2024. Should this happen, the council will either need to find alternative funding to fund the gap itself, reduce the scope of the project, or terminate the project.</p> <p>The delivery of both projects has revenue savings of £46,266 annually for WLC and £92,765 annually at WHLTC. Whilst the immediate impact may not be achieved in the current leisure contract these savings improve the operational delivery of the new contract from 31 August 2026.</p> <p>A forecast of likely accruals return was submitted to Salix on 15 February 2024, along with a Schedule 5 Payment Request, for works completed to date at £165,993. Officers have forecasted further spend prior to current procurement exercise being concluded at £611,035, resulting in a remaining £1,045,304 in the Year 1 allocation.</p> <p>By awarding to the main contractor in line with the timeline in paragraph 14 officers expect to be able to commit to all of the £1,822,332 remaining allocation for Year 1 2023/24.</p>
<b>Climate implications</b>	<p>The purpose of the delivery of both projects is to support the council to accelerate the delivery of its decarbonisation programme contributing to a reduction of approximately 25 per cent in carbon emissions across the council's assets and up to a 65 per cent carbon reduction at Wantage Leisure Centre and at White Horse Leisure and Tennis Centre.</p> <p>Officers continue to work with the Climate and Biodiversity Team in completion of the Impact Assessment Tool in the delivery of both WHLTC and WLC projects.</p>
<b>Equalities implications</b>	<p>Not applicable at this stage with the project.</p>

<b>Other implications</b>	No further implications at this stage to outline.			
<b>Background papers considered</b>	<p>Cabinet Report - White Horse Leisure &amp; Tennis Centre and Wantage Leisure Centre Salix Phase 3b Decarbonisation Projects Cabinet approved Friday 8 March 2024.</p> <p>Cabinet Report - Revenue Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Cabinet approved Friday 3 February 2023.</p> <p>Council Report - Revenue Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Council approved Wednesday 15 February 2023.</p>			
<b>Declarations/ conflict of interest?</b>	N/A			
<b>Consultees</b>		<b>Name</b>	<b>Outcome</b>	<b>Date</b>
	Legal <a href="mailto:legal@southandvale.gov.uk">legal@southandvale.gov.uk</a>	Pat Connell	Agreed as amended	15.3.2024
	Finance <a href="mailto:Finance@southandvale.gov.uk">Finance@southandvale.gov.uk</a>	Not applicable	Overall sign off with HoS Finance – reference below	15.03.2024
	Climate and biodiversity <a href="mailto:climateaction@southandvale.gov.uk">climateaction@southandvale.gov.uk</a>	Not applicable	Consulted with Cabinet Report and approved	15.03.2024
	Procurement <a href="mailto:Procurement@southandvale.gov.uk">Procurement@southandvale.gov.uk</a>	Angela Cox	Agreed with comments	15.3.2024
	Strategic property <a href="mailto:property@southandvale.gov.uk">property@southandvale.gov.uk</a>	Not applicable	Consultation with Cabinet Report and approved	
	Communications <a href="mailto:communications@southandvale.gov.uk">communications@southandvale.gov.uk</a>	Lucy Billen	Agreed	15.03.2024
	Relevant Cabinet member	Cllr Andy Crawford	Approved	15.03.2024
	Head of Finance	Simon Hewings	Approved	15.03.2024

**Decision maker's  
signature**

To confirm the decision as set  
out in this notice.

Signature:



Date: 15.03.2024