

## Record of individual Cabinet member decision

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

<b>Decision made by</b>	Councillor Andy Crawford
<b>Key decision?</b>	No
<b>Date of decision</b> (same as date form signed)	20 January 2023
<b>Name and job title of officer requesting the decision</b>	Mark Foster, Property Assets Manager
<b>Officer contact details</b>	Tel: 07510 921696 Email: <a href="mailto:mark.foster@southandvale.gov.uk">mark.foster@southandvale.gov.uk</a>
<b>Decision</b>	<p>To:</p> <ol style="list-style-type: none"> <li>1) approve the acceptance of the Public Sector Decarbonisation Scheme, grant funding pursuant to section 31(4) of the Local Government Act 2003 for the funding value of £5,992,916 to install energy efficiency measures, solar photovoltaic (PV) cells and Air Source Heat Pumps (ASHPs) to replace end of life gas-fired boilers at Wantage Leisure Centre and White Horse Leisure and Tennis Centres</li> <li>2) authorise the Deputy Chief Executive – Place to finalise the terms of and enter into the funding agreement required to secure the funding.</li> </ol>
<b>Reasons for decision</b>	<p>A climate emergency was declared at Vale of White Horse District Council (VoWHDC) in 2019.</p> <p>VoWHDC's corporate plan target is that the council reaches carbon neutral within its own operations by 2030 and aspires to become a carbon neutral district by 2045.</p> <p>Salix Finance is managing applications to the Public Sector Decarbonisation Scheme Phase 3b (PSDS3b) on behalf of the government. PSDS3b aims to tackle emissions from heating public sector buildings, aid a green recovery and support the UK's 2050 net zero target and clean growth goals.</p> <p>PSDS3b allows public sector bodies to apply for a grant to finance up to 88% of the costs of capital or at a maximum cost of £325/tCO<sub>2</sub>e (£325 per tonne of direct carbon saved), for energy-saving projects that meet the scheme criteria. The essential capital projects to decarbonise the above leisure facilities met these criteria.</p>

	<p>On 13 September 2022 the Deputy Chief Executive - Place gave authority for officers to coordinate preparation and submission of an application to the PSDS3b for decarbonisation measures at the above leisure facilities.</p> <p>On 12 October 2022 the External Funding Lead submitted an application to the PSDS3b for a grant of £5,992,916 to install Energy Efficiency Measures, Solar Photovoltaic (PV) cells and Air Source Heat Pumps to replace end of life gas-fired boilers at Wantage Leisure Centre and the White Horse Leisure and Tennis Centre.</p> <p>On 16 January 2023 VoWHDC received confirmation from Salix Finance that application to the Phase 3b Public Sector Decarbonisation Scheme has been successful, alongside a Grant Offer Letter which is required to be signed within a 10 business days deadline, by 30 January 2023.</p> <p>The Grant Offer Letter outlines:</p> <ul style="list-style-type: none"> <li>• a condition that prior to receiving the first payment the recipient shall provide a forecast 6 weeks in advance of submitting the first payment request, or by 15 March 2023 at the latest</li> <li>• the ongoing payment schedule, as proposed in the application.</li> </ul>
<b>Alternative options rejected</b>	<p>If VoWHDC decided not to pursue the available funding, then the full cost of the decarbonisation work would have to be funded from council's resources or from further use of CIL funds.</p> <p>If the council decided to proceed with a like-for-like replacement of the existing assets which are at the end of their useful life, whilst this would be cheaper, no government funding would be available, and it would not support the council's policy objectives on climate change.</p>
<b>Climate and ecological implications</b>	<p>The acceptance of the grant offer allows VoWHDC to accelerate the delivery of its decarbonisation programme contributing to a reduction of approximately 25% in carbon emissions across the council's assets.</p>
<b>Legal implications</b>	<p>Acceptance of the funding is subject to the terms and conditions as outlined in the Grant Offer Letter Schedules.</p>
<b>Financial implications</b>	<p>The costs relating to installation of the decarbonisation measures are in excess of the PSDS scheme criteria of £325 per tonne of carbon saved. The council will need to cover the additional costs over and above £325 per tonne of carbon saved.</p> <p><i>Financial cost implications</i></p> <p>The funding body requires a financial commitment of £2,154,831 to complete the required works. This will in part be shared with Oxfordshire County Council (OCC), who are required to contribute 50% of costs toward projects at Wantage Leisure Centre, through a Joint Use Agreement. The financial commitment is broken down as follows:</p>

	<b>Project costs</b>	Grant funding	<b>VOWHDC contribution</b>	OCC contribution
Wantage LC	<b>£1,871,974.00</b>	£1,376,893.87	<b>£247,540.06</b>	£247,540.06
White Horse LTC	<b>£6,275,773.00</b>	£4,616,022.13	<b>£1,659,750.87</b>	-
<b>Total</b>	<b>£8,147,747.00</b>	£5,992,916.00	<b>£1,907,290.94</b>	£247,540.06

There is a risk of exceeding project costs, however this figure includes considerable contingency to take into consideration current supply chain issues and rates of inflation.

The project is to replace end of life plant. Full system design has not been undertaken, as this will require a significant financial outlay to commission a design consultant (factored into the proposal), Therefore, ongoing repair and maintenance costs have not been estimated, as these will depend on system design specifics. However, an increase in ongoing costs is not anticipated; costs for domestic service and maintenance plans for air source heat pumps are on a par with those for gas fired systems; air filters need periodic replacement and antifreeze in systems needs checking and potentially replacing. As the project progresses through procurement and final business case these assumptions will be tested.

As the project will be replacing end of life plant, a request for Community Infrastructure Levy (CIL) has been made to cover the cost of like for like plant at all sites, as this is allowable expenditure under the CIL funding criteria. We have approached the Infrastructure Team who have confirmed that CIL funding can be used for this purpose, as well as for any energy efficiency measures and solar PV installation as part of the project to replace end of life equipment. This project has been recommended by the Vale CIL Member Working Group for inclusion in the provisional capital programme as part of budget setting for 2023/24 onwards.

Based on the Vale CIL balance as of 31.12.22 and a conservative estimate of £750k per year CIL income over the next 4 years (previous 12 months was £1.1m), the following costs could be covered by Vale CIL income:

	FY 2023-24	FY 2024-25	FY 2025-26
CIL allocation	£579,971	£1,122,431	£204,889

This takes into account the previously approved rolling CIL allocations of £195,000 per year and all other one-off CIL allocations already in the capital programme.

#### *Financial benefits*

Overall, as a result of the decarbonisation programme, projected utilities bills are expected to reduce at both sites compared to current rates:

		Wantage Leisure Centre	White Horse Leisure and Tennis Centre	
	Current modelled annual gas consumption (kWh)	1019279	3641614	
	Expected annual electricity consumption (kWh)	206404	1033030	
	Annual reduction in consumption (kWh)	812875	2608584	
	Solar PV annual expected output (kWh)	38425	323871	
	Low Carbon Heating annual cost saving at current rates	£ 38,197	£ 2,081	
	Solar PV annual cost saving at current rates	£ 8,069	£ 90,684	
	Projected annual savings	£ 46,266	£ 92,765	
	Cost savings will in the first instance be beneficial to GLL, who provides services in the centre, but will be considered as part of procurement at contract renewal time in August 2026.			
	This would indicate full cost recovery within eleven years from the end of GLL’s contract in August 2026, at current contracted utility rates, if like-for-like replacement plant costs are factored in.			
	However, these savings are incidental to the delivery of a project that is primarily in support of the council’s objectives on climate change.			
Other implications	N/A			
Background papers considered	None			
Declarations/conflict of interest? Declaration of other councillor/officer consulted by the Cabinet member?	N/A			
List consultees		Name	Outcome	Date
	Legal <a href="mailto:legal@southandvale.gov.uk">legal@southandvale.gov.uk</a>	Patrick Arran	Approved with comments incorporated	18/01/2023
	Finance <a href="mailto:Finance@southandvale.gov.uk">Finance@southandvale.gov.uk</a>	Simon Hewings	Approved with comments incorporated	20/01/2023
Confidential decision? If so, under which exempt category?	No			
Call-in waived by Scrutiny Committee chairman?	N/A			

<b>Has this been discussed by Cabinet members?</b>	Yes, various briefings held with Cabinet Members
<b>Cabinet portfolio holder's signature</b> To confirm the decision as set out in this notice.	Signature _____ Councillor Andy Crawford _____  Date _____ 20 January 2023 _____

**ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.**

For Democratic Services office use only		
Form received	Date: 20 January 2023	Time: 16:12
Date published to all councillors	Date: 23 January 2023	
Call-in deadline	Not applicable as this is not a key decision.	

## Guidance notes

1. This form must be completed by the lead officer who becomes the contact officer. The lead officer is responsible for ensuring that the necessary internal consultees have signed it off, including the chief executive. The lead officer must then seek the Cabinet portfolio holder's agreement and signature.
2. Once satisfied with the decision, the Cabinet portfolio holder must hand-sign and date the form and return it to the lead officer who should send it to Democratic Services immediately to allow the call-in period to commence.  
Tel. 01235 422520 or extension 2520.  
Email: [democratic.services@southandvale.gov.uk](mailto:democratic.services@southandvale.gov.uk)
3. Democratic Services will then publish the decision to the website (unless it is confidential) and send it to all councillors to commence the call-in period (five clear working days) if it is a 'key' decision (see the definition of a 'key' decision below). A key decision cannot be implemented until the call-in period expires. The call-in procedure can be found in the council's constitution, part 4, under the Scrutiny Committee procedure rules.
4. Before implementing a key decision, the lead officer is responsible for checking with Democratic Services that the decision has not been called in.
5. If a key decision has been called in, Democratic Services will notify the lead officer and decision-maker. This call-in puts the decision on hold.
6. Democratic Services will liaise with the Scrutiny Committee chairman over the date of the call-in debate. The Cabinet portfolio holder will be requested to attend the Scrutiny Committee meeting to answer the committee's questions.
7. The Scrutiny Committee may:
  - refer the decision back to the Cabinet portfolio holder for reconsideration or
  - refer the matter to Council with an alternative set of proposals (where the final decision rests with full Council) or
  - accept the Cabinet portfolio holder's decision, in which case it can be implemented immediately.

## Key decisions: assessing whether a decision should be classified as 'key'

The South Oxfordshire and Vale of White Horse District Councils' Constitutions now have the same definition of a key decision:

**A key decision is a decision of the Cabinet, an individual Cabinet member, or an officer acting under delegated powers, which is likely:**

- (a) to incur expenditure, make savings or to receive income (except government grant) of more than £75,000;**

- (b) to award a revenue or capital grant of over £25,000; or**
- (c) to agree an action that, in the view of the chief executive or relevant head of service, would be significant in terms of its effects on communities living or working in an area comprising more than one ward in the area of the council.**

Key decisions are subject to the scrutiny call-in procedure; non-key decisions are not and can be implemented immediately.

In assessing whether a decision should be classified as 'key', you should consider:

- (a) Will the expenditure, savings or income total more than £75,000 across all financial years?
- (b) Will the grant award to one person or organisation be more than £25,000 across all financial years?
- (c) Does the decision impact on more than one district council ward? And if so, is the impact significant? If residents or property affected by the decision is in one ward but is close to the border of an adjacent ward, it may have a significant impact on that second ward, e.g. through additional traffic, noise, light pollution, odour. Examples of significant impacts on two or more wards are:
  - Decisions to spend Didcot Garden Town funds (significant impact on more than one ward)
  - Changes to the household waste collection policy (affects all households in the district)
  - Reviewing a housing strategy (could have a significant impact on residents in many wards)
  - Adopting a supplementary planning document for a redevelopment site (could significantly affect more than one ward) or a new design guide (affects all wards)
  - Decisions to build new or improve existing leisure facilities (used by residents of more than one ward)

**The overriding principle is that before 'key' decisions are made, they must be published in the Cabinet Work Programme for 28 calendar days. Classifying a decision as non-key when it should be a key decision could expose the decision to challenge and delay its implementation.**