



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Officer Delegated Decision

16 February 2024

Richard Wyles, Deputy Chief Executive
and s151 Officer



Allocation of Climate Change Reserve funding

This report recommends the installation of new pool covers at Grantham Meres, Bourne and Stamford leisure centres in order to reduce energy consumption.

Contact

Serena Brown, Sustainability and Climate Change Officer

 Serena.brown@southkesteven.gov.uk

| | |
|-------------------------------|---|
| Decision made by: | Richard Wyles, Deputy Chief Executive and s151 Officer |
| Decision: | That contract is awarded to Forge Leisure to design and install new pool covers. |
| Public or Exempt: | 16 th February 2024 |
| Reasons for exemption: | This report is exempt from publication, as the successful award to the Council for Phase II (Capital) of the Swimming Pool Support Fund is under embargo. |
| Conflicts of interest: | No |
| Policy compliant: | Yes |
| Details of delegation: | The Council's Contract Procedure Rules allow for contracts with a total value of up to £200,000 to be approved by the Director. |

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 The funding of the pool covers will be a combination of external funding secured (in respect of the Grantham Meres Leisure Centre pool cover) and use of the established Climate Change Reserve. The value of work to install new pool covers at the three centres is £116,357 which is a combination of reserve £69,632 and external funding of £46,725.00
- 1.2 Once the upgrades are completed LeisureSK Ltd will benefit from a reduction in utility costs from running the facility. This reduction should be reflected in the management fee that is in place between LeisureSK Ltd and the Council.

Completed by: Richard Wyles Deputy Chief Executive & s151 Officer

Procurement

- 1.3 A contract of this value (over £50,000) should be competed. However, it has been explained by project team that there are only two suppliers operating in the UK able to fulfil the requirement of the commercial pool market and quotes have been obtained from both providers. Officers have completed an evaluation of both providers in order to establish the best option.
- 1.4 Although this award is not in line with SKDCs contract procedure rules, the value of the works is below PCR 2015 Threshold and poses minimal risk of challenge
- 1.5 The Council's Procurement Lead has been consulted on the procurement route.

Completed by: Helen Baldwin Procurement Lead

Legal and Governance

- 1.4 Officers have worked with the Council's Procurement Lead to establish the best procurement route that meets the requirement and provides best value for money.
- 1.5 The Council's Contract Procedure Rules allow the Director to make the decision to award the contract.

Completed by: Mandy Braithwaite, Legal Executive

Climate Change

- 1.6 The leisure centres within South Kesteven are included within the Council's boundary for carbon reporting. The project outlined to install new pool covers in the centres will result in a reduction of energy use for the site, for both electricity and heat demand, and therefore a reduction in carbon emissions reported in future years, helping to contribute to the Council's target of at least 30% by 2030.

Completed by: Serena Brown, Sustainability and Climate Change Officer

2. The Purpose of the Report

- 2.1 South Kesteven District Council is currently responsible for the maintenance of three leisure centres within the district. These centres are included within the Council's carbon reporting boundary.
- 2.2 Operation of leisure centre facilities is energy intensive and opportunities to implement improved energy efficiency measures have reviewed in light of the sharp escalation in energy costs from 2022 onwards. These utility costs have had an impact on LeisureSK's operating costs and resulted in requests for the Council to provide support via a management fee increase.
- 2.3 A report reviewing energy efficiency opportunities was completed by Leisure Energy in 2023 highlighting projects for the Council to consider across the centres. One of the recommendations of the report is to consider the installation of new pool covers to all pools in the leisure centres. This would result in an overall reduction in heat demand for the centres, through decreased heating of the pool water, as well as reduced consumption of electricity via the pool hall air handling units.
- 2.4 An application to Phase II (Capital) of the Swimming Pool Support Fund, administered by Sport England, was completed in October 2023. The application included all leisure centres operated by the Council for installation of additional solar PV and installation of new pool covers. Following assessment, Sport England updated that over 700 applications were received, exceeding the value of allocated funding. As a result, they awarded funding to eligible grant applicants first choice leisure centres. Grantham Meres was awarded a total of £445,725 – a separate procurement process will be completed for installation of solar PV at the site.
- 2.5 As the funding for Phase II (Capital) of the Swimming Pool Support Fund is provided in arrears upon completion of the project, it is proposed that the funding is initially drawn from the climate change reserve fund, and repaid into the fund once complete.
- 2.6 The value of works to design and install new pool covers for each of the centres is included in the table below:

| Leisure Centre | Supplier 1 | Supplier 2 - Forge Leisure | Notes |
|-------------------------------|---|--|--|
| Bourne Leisure Centre | £20880.50 + £17691.70 TOTAL £38572.20 | £19559.00 + £13847.00 TOTAL £33406.00 | 2x covers required to cover as much of pool as possible. |
| Stamford Leisure Pool | £26813.26 + £16301.84 TOTAL £43115.10 | £23099.00 + £13127.00 TOTAL £36226.00 | 2x covers required to cover as much of pool as possible. |
| Grantham Meres Leisure Centre | Teaching Pool £15922 Main Pool £45522.00 TOTAL £61444.00 | Main Pool £32919.00 Teaching Pool £13806.00 TOTAL £46725.00 | |
| OVERALL TOTAL | £143,131.30 | £116,357.00 | |

- 2.7 As a result of the award of grant funding award via the Swimming Pool Support Fund for Grantham Meres, the funding split is included in the table below:

| Site | Funding source | Amount |
|---|---|-----------------|
| Bourne Leisure Centre and Stamford Leisure Pool | Climate change reserve fund | £69,632 |
| Grantham Meres Leisure Centre | Phase II (Capital) Swimming Pool Support Fund | £46,725 |
| TOTAL | - | £116,357 |

3. Available Options Considered

- 3.1 The Council could choose not to install new pool covers in the leisure centres.

4. Preferred Option

- 4.1 To procure Forge Leisure to complete the works to install new pool covers.

5. Reasons for the Decision(s)

- 5.1 The installation of new pool covers will reduce energy consumption within the leisure centres and reduce utility costs for Leisure SK, helping to ensure the sustainability of the centre.

Signed by: Richard Wyles

Dated: 16 February 2024