



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Officer Delegated Decision

18th September 2024

Deputy Chief Executive and s151
Officer



Variation of Contract for Customer Service Centre, Grantham.

This report sets out award of works variation to the existing Customer Services fit out contract previously awarded to Lindum Group Ltd for the inclusion of a solar PV system to serve the Customer Services and existing Picture House Council Office.

Contact

Gyles Teasdale – Head of Property Services & ICT

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Decision made by:	Deputy Chief Executive and s151 Officer
Decision:	Officer Delegation
Public or Exempt:	Public
Reasons for exemption:	N/A
Conflicts of interest:	No
Policy compliant:	Yes
Details of delegation:	The Deputy Chief Executive is authorised under at Part 3 (c) for Delegated Powers to Officers, item 28 (Tendering) of the constitution to accept tenders and award contracts to contractors on behalf of the Council in the following circumstances: a) Following a tender process strictly in accordance with the Council's Contract Procedure Rules and Financial Regulations.

	b) For carrying out works and/or the provision of goods and/or services.
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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 report sets out the business case for the installation of solar PV scheme at the Picture House location as part of the contract for the new Customer Service fit out. The costs associated with these works and the funding are set out in the report. The financial pay back following the installation has been costed and is shown at paragraph 2.9. The report also confirms that there is a requirement to increase the fit out budget by £30k due to additional costs being identified. This additional funding will be met from the property maintenance reserve.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Procurement

- 1.2 The procurement route of Variation is a compliant route.

Completed by: Juan Liu

Legal and Governance

- 1.3 The Cabinet decision 7 November 2023 delegates authority to the Deputy Chief Executive in consultation with relevant Cabinet Members to enter into a construction contract to undertake necessary works. The existing contract allows a provisional sum for a basic Solar Photovoltaic installation and a variation provision within the contract allows upgrade of the installation. This is in accordance with financial thresholds in the contract procedure rules.

Completed by: Mandy Braithwaite, Legal Executive

2. The Purpose of the Report

- 2.1 Previous decision taken by Cabinet, at its meeting on 7th November 2023, approved the location of the Customer Services Centre to a new permanent location of the vacant Unit 1, The Picture House (TPH), Grantham.
- 2.2 Since that date, officers have been working with Lindum on the development of the new Customer Service Centre (CSC) in Unit 1, TPH which is due to complete in early October.
- 2.3 Mindful of the need to progress this project at the earliest opportunity, a decision was taken to direct award the design and delivery of the project to known contractors. The identified contractors are well trusted and have a strong record of delivering projects in time and on budget.
- 2.4 Working alongside expert designers and our contractor, a full and comprehensive design has been built focussing on delivering a modern and welcoming CSC that meets the needs of all customers. As part of these works' opportunity has been identified to install energy efficiency measures to assist in the reduction of the buildings carbon emissions.
- 2.5 The original design allowed a provisional sum for a basic Solar Photovoltaic installation. However, following investigations and identification of additional budget from SKDC's Climate Change Reserve, a much larger scheme has been facilitated to assist in offsetting, not only the electrical usage of the new Customer Service Centre, but the existing SKDC first floor office space, along with the provision of battery storage.
- 2.6 Designers have allowed to cover the roof as reviewed on site. This will be the area within the existing man safe system and panels will look to be installed as far as reasonably practicable, ensuring that access is left clear from the door to the roof to the service/maintenance area.
- 2.7 This will provide a system of approximately 50kW. This will be split across the two floors: Ground Floor - Customer Services (1/3 of generation), and 1st Floor – SKDC Office (2/3 of generation). There will be an inverter feeding each location located in the existing first floor plant room.
- 2.7 The existing contract allows for variation to incorporate the Solar PV scheme within the exiting NEC4 Engineering and Construction Short Contract. This variation has been quoted at £124,629.39 +VAT which will include the following works -
 - Installation of PV panels associated cabling and inverters
 - Installation of battery storage

- Ventilation works for plant
- Enabling works
- Additional Prelim costs and Framework fee

2.8 It is proposed that SKDC's Climate Reserve will fund £98,984 +VAT of the works with additional funding being sourced from property budget to facilitate any additional enabling works.

2.9 Based on the associated PV and battery storage cost, an estimated payback period for the system is anticipated at 8.4 years. The system is also estimated to generate 44,144kwh of energy annually.

3. Available Options Considered

3.1 Option 1) To proceed with award of variation to Lindum Group Ltd for the sum of £124,629.39 +VAT for the installation of Solar Photovoltaic panels to serve the New Customer Service Centre and existing SKDC first floor office space.

3.2 Option 2) Not to undertake these works and leave the building with a higher energy consumption requirement and increased carbon emissions.

4. Preferred Option

4.1 Option 1) To proceed with award of variation to Lindum Group Ltd for the sum of £124,629.39 +VAT for the installation of Solar Photovoltaic panels to serve the New Customer Service Centre and existing SKDC first floor office space.

5. Reasons for the Decision(s)

5.1 To award the variation of work contract to Lindum Group Ltd for the inclusion of a solar PV system to serve the Customer Services and existing Picture House Office. Thereby reducing the buildings energy consumption and carbon emissions and supporting SKDC's declaration of a climate change emergency.

6. Consultation

6.1 No formal public consultation is required.

7. Equality and Safeguarding implications

7.1 The appointed contractor would be required to commit to following the Council's Equality and Safeguarding policy in undertaking any works.

8 How will the recommendations support South Kesteven District Council's declaration of a 'climate' emergency?

- 8.1 The work will thereby reduce the buildings energy consumption and carbon emissions and supporting SKDC's declaration of a climate change emergency.

Signed by: **Richard Wyles**

Dated: **18 September 2024**