

COUNCIL  
04 MARCH 2021

Report of the Director of Regulatory Services

## **CARBON REDUCTION WORKS: ASHBOURNE LEISURE CENTRE**

### **PURPOSE OF REPORT**

This report explains the work that has been undertaken with partners to build a case for funding decarbonisation works at Ashbourne Leisure Centre and the subsequent offer of funding under section 31 of the Local Government Act 2002 that has been received. Authority is sought to include these works in the Capital Programme for 2021/22 and to continue to work with those partners to deliver the scheme.

### **RECOMMENDATION**

1. That Council includes the sum of £734,006 within the Capital Programme for 2021/22, for the proposed decarbonisation works at Ashbourne Leisure Centre;
2. That officers continue to work with Freedom Leisure and Leisure Energy to deliver the scheme of decarbonisation works to Ashbourne Leisure Centre.

### **WARDS AFFECTED**

Ashbourne South

### **STRATEGIC LINK**

Decarbonising the energy systems at Ashbourne Leisure Centre contributes to the Council's ambitions to tackle climate change and will reduce its scope 3 emissions. The approach that has been taken to developing the scheme and making the bid for funding also contributes to the aim to work with partners to deliver reductions in carbon emissions.

---

## **1 SUMMARY**

- 1.1 At the beginning of October 2020 Government announced the establishment of a £1billion fund, called the Public Sector Decarbonisation Scheme (PSDS) as part of the Chancellor's 'Plan for Jobs' commitment to support the UK's economic recovery from Covid 19, supporting skilled jobs in the low carbon and energy efficiency sectors. The scheme was also intended to support the Government's net zero and clean growth goals and was to be delivered by Salix Finance on behalf of the Department for Business, Energy and Industrial Strategy (BEIS).
- 1.2 The PSDS provides grant funding for energy efficiency and heat decarbonisation measures across the public sector, central government departments and non-departmental public bodies. The finance was targeted at non-domestic buildings in England and is intended to support the delivery of green investment initiatives to deliver significant carbon and financial savings in the public sector and stimulate the economy.

- 1.3 Officers considered all the capital schemes listed in the Climate Change Strategy and Action Plan, but none met the criteria set out by BEIS to be eligible for the PSDS, either in terms of the type of works or the cost per tonne carbon saved. However, working with Leisure Energy on behalf of Freedom Leisure, it was determined that it would be possible to make a viable bid for funding in relation to works at Ashbourne Leisure Centre. This was possible as although PSDS was only available to public sector bodies, the rules allowed for those bodies to make bids on behalf of private sector partners, taking account of the arrangements that exist in many areas in relation to services such as leisure provision.

## **2 ASHBOURNE LEISURE CENTRE**

- 2.2 Ashbourne Leisure Centre can be split into 2 halves; 'wet' and 'dry'. Wet refers to the swimming pool, where substantial works were undertaken to the air handling unit and gas boilers just over 2 years ago. However, the gas boilers on the dry side are beyond economic repair and were being considered for a like-for-like replacement. The announcement of this new funding stream opened up an opportunity to bid for funding to replace the carbon intensive gas boilers with a low carbon alternative of air source heat pumps, which could take the heat load for the whole site, with new gas boilers as back up.
- 2.3 Although removing the reliance on gas as the main source of heating reduces the carbon footprint of the operations, it also increases electricity use at the facility. Therefore the scheme also includes the installation of renewable photo-voltaic generation and a Building Energy Management System (BEMS). These items of work are only eligible for funding through the PSDS by virtue of removing the reliance on gas heating.

## **3 PUBLIC SECTOR DECARBONISATION SCHEME**

- 3.1 Having identified Ashbourne Leisure Centre as a potentially eligible PSDS project officers worked with Leisure Energy, acting on behalf of Freedom Leisure to submit a bid to Salix for £734,006. The bid was submitted on 8 December 2020 and on 8 January 2021 we were notified that our bid had been unsuccessful. The reason given for the failure of the bid was that the Scheme had been heavily over-subscribed and it was suggested that funding had only been awarded to those projects that could complete by 31 March 2021.
- 3.2 Further discussions were held with Leisure Energy and it was agreed that the Council should submit an 'appeal' against this decision, on the basis that had we known that projects would need to complete by 31 March 2021, we would have planned the project accordingly. This response was provided to Salix on 11 January 2021.
- 3.3 On 25 January 2021 we were informed that whilst the PSDS was fully committed Salix may be able to offer an alternative source of funding under section 31 of the Local Government Act 2002. As the Ashbourne Leisure Centre project had based the technical assessment Officers were invited to attend a webinar with Salix where this option would be more fully explored. The webinar was held on 1 February 2021 and it became clear that there was a high likelihood of the project being funded. Officers confirmed the willingness of the authority to accept section 31 funding and a grant offer for the full £734,006 was received on 10 February 2021.

3.4 Hopefully Members can see that this has been a fast moving and dynamic process. As a result the Council has been offered a grant of £734,006 to progress a decarbonisation project in one of the leisure centres owned by the Council and managed by Freedom Leisure on our behalf. It would not have been possible to develop and submit the bid without the full commitment of Freedom Leisure and the expertise provided through their consultants, Leisure Energy. Both of these will now be needed to deliver the project by 30 September 2021, which is a requirement of the funding. However, officers are confident that this can be achieved. Therefore agreement is sought to include the project within the Capital Programme for 2021/22, to the total value of the section 31 grant of £734,006.

## **4 RISK ASSESSMENT**

### **4.1 Legal**

The Council has been provided external funding for a project that helps it achieve its aim of reducing carbon emissions. As long as the Council complies with any conditions attached to the grant then the legal risk is low.

### **4.2 Financial**

As stated in the report, the estimated capital expenditure for the decarbonisation project at Ashbourne Leisure Centre is £734,006, which can be fully funded by a government grant under section 31 of the Local Government Act 2002. A funding agreement will be in place. Officers are confident that, by working with fully committed partners, the project will be delivered by the deadline of 30 September 2021. The financial risk is therefore assessed as low.

## **5 OTHER CONSIDERATIONS**

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

## **6 CONTACT INFORMATION**

Tim Braund - Director of Regulatory Services  
Email: [tim.braund@derbyshiredales.gov.uk](mailto:tim.braund@derbyshiredales.gov.uk)  
Telephone: 01629 761118

## **7 BACKGROUND PAPERS**

None.