



Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt under the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended. The exemption sought is by virtue of:

Paragraph 3 - Information relating to the financial or business affairs of any particular person including the authority holding that information; and

It is in the public interest to withhold the information as the public interest in maintaining the exemption outweighs the public interest in disclosing the information as disclosing the information could prejudice the Council's position and this is not in the public interest.

Subject Heading:	Central Park Leisure Centre Solar Award of Contract
Decision Maker:	Barbara Nicholls
Cabinet Member:	Councillor Gillian Ford
ELT Lead:	Patrick Odling-Smee
Report Author and contact details:	Guy Selfe, 01708 433866, guy.selfe@havering.gov.uk
Policy context:	People – things that matter for residents
Financial summary:	The majority of this project is being funded through a grant from the Swimming Pool Support Fund Phase II (Capital). The item of ineligible expenditure through the grant is being split 50/50 between the Council and SLM. The Council's contribution is being funded from the

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	capital lifecycle programme for the leisure management contract.
Reason decision is Key	Indicate grounds for decision being Key: (a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	28 November 2024
Relevant Overview & Scrutiny Committee:	People
Is it an urgent decision?	Yes
Is this decision exempt from being called-in?	Yes

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well X

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in this report, the Strategic Director of People is recommended to agree to award the contract for the car port and photovoltaic panel project at Central Park Leisure Centre to Energy Gain UK limited via direct award using the Fusion 21 Heating, Renewables and Electrical Framework Lot 9 Photovoltaic and Battery Storage.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Council's Constitution

3.3.3 Scheme – Powers common to all Strategic Directors

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1. **General**

1. To take any steps necessary for proper management and administration of allocated portfolios.

4. **Contracts**

4.2. To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

1.1 The government's Swimming Pool Support Fund (SPSF) provided a total of £80 million to local authorities in England as a support package for public leisure facilities with swimming pools and was split into two phases.

Phase I - Revenue: £20m was available to support facilities with swimming pools with increased cost pressures, leaving them most vulnerable to closure or significant service reduction.

Phase II - Capital: £60m was available from the government for capital investment to improve the energy efficiency of public facilities with pools in the medium to long term.

1.2 The Council applied to the Capital fund and was successful with a bid of £700,000 to install car ports with photo voltaic panels on the roof to provide a renewable and sustainable energy source for Central Park Leisure Centre.

1.3 The award of £700,000 can be used on eligible expenditure that for this scheme includes everything except for the car port frames which are ineligible expenditure.

Decision Required

1.4 It is proposed to use the Fusion 21 Heating, Renewables and Electrical Framework Lot 9 Photovoltaic and Battery Storage. This framework permits direct award to the highest ranked supplier that can meet the requirements at catalogue prices.

1.5 The top rated supplier in the Heating, Renewables, and Electrical category, Energy Gain UK limited has provided a quote to undertake and complete the work to construct, install and commission the car ports and photovoltaic panels at Central Park Leisure Centre. The financial detail of this quote is contained within the exempt section of this report.

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1.6 Another company did provide a quote for the project but that was at a higher overall cost. It is considered therefore that this provides a benchmark which demonstrates that award to Energy Gain UK offers best value for the Council.

1.7 A condition of the Swimming Pool Support Fund grant is that the works have to be completed and the drawdown of the grant has to be by the end of March 2025.

1.8 In order to meet these timescales and to not risk losing the £700,000 grant, it is recommended to award the contract for this project to Energy Gain UK, who have indicated they can both carry out the project and meet the timescales in order to drawdown the grant.

1.9 The Council will use the JCT 2016 Minor Works contract with London Borough of Havering amendments for this project as this is permitted by the Fusion 21 Framework direct award route.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Do nothing – to do nothing would result in losing the grant of £700,000 from the swimming pool support fund. It would also result in not achieving a reduction in carbon emissions that will contribute to the Council's climate objectives. There are also potential savings to the Council through reducing energy consumption and the leisure management contract position on surplus share and absorbing the risk on price of utilities. Do nothing has been rejected for these reasons.
2. Carry out a full tender process for the project. Energy Gain UK have been ranked as the top provider in the Heating, Renewables, and Electrical category of the Fusion 21 Framework on both quality and price. Another company did provide a quote for the project but that was at a higher overall cost. As mentioned within this report, the project has to be completed by the end of March 2025 with the Swimming Pool Support Fund grant drawn down before the end of the financial year. It is for these reasons this option is rejected.

PRE-DECISION CONSULTATION

None

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

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Name: Guy Selfe

Designation: Head of Culture, Leisure, Heritage and Libraries

Signature: *Guy Selfe*

Date: 11.12.2024

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Section 1 of the Localism Act 2011 grants Local Authorities a General Power of Competence, allowing it to do anything that an individual may do, provided there are no statutory constraints, No limitations are engaged by this decision..

The Local Authority is a Contracting Authority for the purposes of the Public Contract Regulations 2015 (PCR). The value of the contract is below the works threshold of £4,733,252, therefore this Contract is not caught by the full PCR regime. The procurement must comply with the Council's Contract Procedure Rules (CPR).

CPR 20.4 requires awards via frameworks to comply with the rules of the framework. As set out in this report, the proposed direct award using the JCT minor works contract with London Borough of Havering amendments complies with the Fusion 21 Heating, Renewables and Electrical Framework award procedure.

The Council is a best value authority. As set out in this report, officers consider the direct award to represent best value.

For the reasons set out above, the Council may award the contract.

FINANCIAL IMPLICATIONS AND RISKS

The Council has accepted the terms and conditions of the Swimming Pool Support Fund (SPSF) grant. SLM were also required to sign a Grant Adherence Agreement committing them to adhere to the conditions of the grant award along with the Council.

The SPSF does not include the physical car port structure, that is required to place the photovoltaic panels on the roof, as eligible expenditure. This element of the project is costed at £121,453 and will be split 50/50 between SLM and the Council. The Council contribution of £73,403 will be funded from the capital lifecycle budget included as a contractual obligation as part of the leisure management contract.

The balance of the project, as detailed in the exempt section to this report, will be funded through the SPSF grant of £700k.

One of the conditions of the funding is that funds must be drawn down by March 2025, there is a small risk that if any works are not complete then funding for these will not be available from the SPSF grant and Havering would have to cover the cost. To mitigate

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this risk, the project will be managed to ensure it is completed by the required deadline and invoices are submitted without delay from the contractor.

Any ongoing maintenance costs will be covered by SLM and will not cause any additional pressures for LBH.

There are also potential savings to the Council through reducing energy consumption through the leisure management contract position on surplus share and absorbing the risk on price of utilities.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

This project to construct car ports to enable photovoltaic panels on the roof space will contribute to the Council's position to become carbon neutral by 2040 or sooner. Some of the car ports spaces can also be used for bicycle storage to expand existing bicycle spaces. This will improve the health and wellbeing of residents by directly contributing to the climate emergency.

The project will also contribute to the sustainability of Central Park Leisure Centre and contribute to the ongoing opportunities to participate in physical activity and sport to enjoy the physical, health and wellbeing benefits this brings.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

This project will contribute to the ambition for the Council to be carbon neutral by 2040 or sooner. Approximately 46t of CO2 emissions will be saved through the installation of photovoltaic panels at Central Park Leisure Centre.

BACKGROUND PAPERS

None

APPENDICES

None

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