

To:
All members of the
Council

Please reply to:
Contact: Karen Wyeth
Service: Committee Services
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Date: 10 July 2024

Supplementary Agenda

Council - Thursday, 18 July 2024

Dear Councillor

I enclose the following items which are an amended report and an addendum to the report.

14. Sunbury Leisure Centre - Swimming Pool Grant

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Council is asked to:

- 1) Agree to directly award a contract to Constellia Public Ltd to enable them to appoint the Sunbury Leisure Centre decarbonisation project funded by Sport England through the Swimming Pool Support Fund to Low Carbon Europe.
- 2) Delegate authority to the Group Head of Corporate Governance to enter into any necessary documentation in connection with the project; and
- 3) approve the scheme as a supplementary Capital Estimate for a value of £995,000.

Yours sincerely

Karen Wyeth
Committee Services

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

To the members of the Council

Councillors:

M. Buck (Mayor)
J.T.F. Doran
M. Arnold
M.M. Attewell
C. Bateson
S.N. Beatty
M. Beecher
S. Bhadye
M. Bing Dong
H.S. Boparai
L.H. Brennan
T. Burrell
J.R. Boughtflower

J. Button
J.P. Caplin
R. Chandler
D.C. Clarke
S.M. Doran
S.A. Dunn
R.V. Geach
D.L. Geraci
A. Gale
M. Gibson
K.M. Grant
S. Gyawali
K. Howkins

N. Islam
M.J. Lee
A. Mathur
S.C. Mooney
L. E. Nichols
K.E. Rutherford
O. Rybinski
D. Saliagopoulos
J.R. Sexton
J.A. Turner
B. Weerasinghe
H.R.D. Williams
P.N. Woodward

Corporate Policy and Resources



8 July 2024

Title	<i>Swimming Pool Support Fund – Contract Award</i>
Purpose of the report	To make a decision
Report Author	<i>Kamal Mehmood, Strategic Lead Leisure and Community Development</i>
Ward(s) Affected	Halliford & Sunbury West
Exempt	No
Exemption Reason	N/A
Corporate Priority	Resilience Environment Services
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1 <i>Agree to directly award a contract to Low Carbon Europe to deliver the Sunbury Leisure Centre decarbonisation project funded by Sport England through the Swimming Pool Support Fund.</i> 2 <i>Delegate authority to the Group Head of Corporate Governance to enter into any necessary documentation in connection with the project.</i> 3 <i>Recommend to the Council approval of the scheme as a supplementary Capital Estimate for a value of £995,000.</i>
Reason for Recommendation	<i>Grant funding has already been agreed and accepted under delegated authority. In order to undertake the work within the time scales proposed it is recommended that the contract to deliver the project is awarded under direct contract to the organisation that helped to prepare the funding bid.</i>

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • SBC have been awarded £996,000 through phase II of Sport England’s Swimming Pool Support Fund to decarbonise Sunbury Leisure 	<ul style="list-style-type: none"> • The grant has been accepted under delegated authority. SBC now need to appoint a contractor to deliver the

Centre; installing further PV panels and air source heat pumps.	project within the time frame, by the end of March 2025.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> To enable us to undertake the work within the timeframe we would like to award the contract to the organisation that was engaged to help prepare the proposal. 	<ul style="list-style-type: none"> CPRC agree the recommendation Contractor appointed Planning consent sought Project delivered Funds drawn down in phased instalments to be agreed

- 1.1 This report seeks to secure agreement to appoint a contractor to deliver a project to decarbonise Sunbury Leisure Centre.
- 2. Key issues**
- 2.1 In March 2023 as part of the Spring Budget the Government announced £60m fund to support publicly owned leisure centres and swimming pools; the Swimming Pool Support Fund (SPSF).
- 2.2 On the back of wider environmental improvements to Sunbury Leisure Centre that have already been implemented, SBC engaged the services of a company called Low Carbon Europe (LCE) to develop a bid to significantly reduce the carbon footprint of Sunbury Leisure even further by installing additional solar panels and replacing the existing gas boilers with air source heat pumps as part of Phase II of the funding scheme. The bid was submitted in October 2023.
- 2.3 As a result of that bid, in March 2024 SBC were awarded £994,883; one of the largest allocations made to any local authority in the country. Of this:
- £104,103 to install Photo Voltaic (PV) Panels (solar panels) on the roof of the centre.
 - £890,780 to replace the existing ageing gas boilers with air source heat pumps.
- 2.4 The work will need to be paid by the council and completed in advance of the release of funds which, in order to satisfy the funding criteria, needs to be delivered by March 2025.
- 2.5 The grant conditions were accepted under delegated authority by Terry Collier in his capacity as the Councils Statutory Chief Financial Officer.
- 2.6 Because the timeframe to conclude the project are tight it is proposed that the contract be awarded by direct contract. Contract Standing Orders permit direct award where contracts are procured from an external Framework Agreement provided the Framework conditions have been satisfied.

2.7 Procurement assessed ESPO MSTAR4 – Lot 4 of a Statement of Work as the most suitable framework to use. Should we go out to tender this could delay the planning process and approval until the autumn which ultimately could jeopardise the project from being realised.

3. The proposed contractor: Low Carbon Europe

3.1 LCE were already working with the council to conduct decarbonisation reports/plans for 51 of the Council's buildings as a result of Salix funding. Assets, who engaged their services, expressed that all work had been satisfactory.

3.2 Given LCE developed the proposal that ultimately led to the award of funding. Without their input it is unlikely we would have received funding of this magnitude. Given their familiarity with the site and the fact that they are already an approved provider under EPPO MSTAR4 and can be appointed directly, it is regarded that it would be advantageous for them to continue to develop the scheme and oversee the work.

3.3 They are regarded highly in the sector and were awarded Energy Consultancy of the Year in the South East Energy Efficiency Awards in 2021 and 2022.

3.4 LCE operate to the code of professional conduct laid out by the Institute of Management Consultants and is fully certificated under ISO 9001:2015 Quality Assurance system. Additionally, LCE operate an Environmental Management certificated with ISO 14001:2015.

4. Options analysis and proposal

4.1 Option 1 (Recommended Option) Appoint LCE under framework agreement to develop the designs and manage the project to deliver the fully funded project. Having developed the bid and given their experience in this sector LCE are well placed to deliver the project within the timeframes imposed by Sport England. To go out to tender risks delaying the project and satisfying the conditions within the deadline.

4.2 Option 2 Go out to wider tender. As the funding has been secured to deliver the project there is limited benefit of going out to tender to deliver the project at a cheaper rate as the project cost is directly linked to the funding secured to deliver the project. The tender process would take a considerable length of time which in addition to seeking planning consent and implementation of the work could put the project in jeopardy.

4.3 Option 3 Don't undertake the work. This is not recommended. The council has made a pledge to be carbon neutral by 2030. The existing gas boilers are ageing, and it is anticipated that they would need to be replaced during the next ten years. If we were not to utilise this funding we would likely need to meet the costs of replacement within that timeframe and replacing them with a new gas boiler would be at odds with our commitment to be carbon neutral by 2030.

5. Financial management comments

- 5.1 Whilst the council would be expected to pay for the project costs up front because the project is fully funded there would be no net financial impact on the council's budget.
- 5.2 The capital project is recommended as a supplementary capital estimate, to be included in the estimated Capital Programme for 2024-25 and will be presented to Council on 18th July for approval.

6. Risk management comments

- 6.1 None provided

7. Procurement comments

- 7.1. Procurement has already carried out a soft market testing exercise to identify the best way to let this contract. From the market assessment, the following Frameworks were identified:
- AEC Neutral Vendor framework for Multi- Specialist Services
 - SEWTAPS framework- Lot 11 of a consultancy framework
 - ESPO MSTAR4 – Lot 4 of a Statement of Work
 - YPO 940 Managing Consultancy and Professional Services Framework and NEP O508
- 7.2 Out of these frameworks, ESPO MSTAR4 – Lot 4 of a Statement of Work was assessed as the most suitable framework to use. Procurement has already obtained the framework call-off terms is being reviewed by Legal. Once this report is approved Low Carbon Europe will be appointed via a direct award to source a provider (consultant that will supervise and deliver the service).
- 7.2 Given that ESPO is a compliant framework the appointment of a consultant via this framework will meet Sport of England requirement to follow all applicable procurement rules.

8. Legal comments

- 8.1 Contract Standing Orders permit direct award where contracts are procured from an external Framework Agreement provided the Framework conditions have been satisfied (paragraph 22 of part 4(e) of the Constitution).
- 8.2 Legal Services (g.legal@spelthorne.gov.uk) will provide advice and assistance on the preparation of the contract and any other ancillary documentation.
- 8.3 Planning permission for the proposed works will need to be obtained prior to the works commencing.
- 8.4 Licence for alterations or other type of formal consent to the proposed works may need to be obtained from the superior landlord prior to the works commencing.

9. Other considerations

9.1 None

10. Equality and Diversity

10.1 The project will enable enhancement of a local accessible facility open to people irrespective of protected characteristics.

11. Sustainability/Climate Change Implications

11.1 The Council declared a climate change emergency in 2020 and adopted a subsequent climate change strategy in 2022. This project aligns with the commitments made in the strategy, to deliver clean, renewable energy on Council sites where viable.

12. Timetable for implementation

12.1 If approved LCE will be engaged to develop the plans and to submit a planning application. It is envisaged that once approved the work would commence in the autumn to allow time for the project to be completed by the end of January 2025 allowing sufficient time for slippage in advance of the grant draw down deadline.

13. Contact

13.1 Kamal Mehmood, Leisure and community Development Manager

13.2 K.Mehmood@spelthorne.gov.uk.

Background papers: None.

Appendices: None

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Corporate Policy and Resources

8 July 2024 – Addendum to Report

Title	<i>Swimming Pool Support Fund – Contract Award</i>
Purpose of the report	To make a decision
Report Author	<i>Kamal Mehmood, Strategic Lead Leisure and Community Development</i>
Ward(s) Affected	Halliford & Sunbury West
Exempt	No
Exemption Reason	N/A
Corporate Priority	Resilience Environment Services
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1 <i>Agree to directly award a contract to Constellia Public Ltd to enable them to appoint the Sunbury Leisure Centre decarbonisation project funded by Sport England through the Swimming Pool Support Fund to Low Carbon Europe.</i> 2 <i>Delegate authority to the Group Head of Corporate Governance to enter into any necessary documentation in connection with the project.</i> 3 <i>Recommend to the Council approval of the scheme as a supplementary Capital Estimate for a value of £995,000.</i>
Reason for Recommendation	<i>Grant funding has already been agreed and accepted under delegated authority. In order to undertake the work within the time scales proposed it is recommended that the contract to deliver the project is awarded under direct contract to Constellia Public Ltd, who are recognised under Lot 4 of the preferred framework and they can appoint to LCE as they are one of their approved suppliers, LCE are the organisation that helped to prepare the funding bid.</i>

1. Summary of the report

What is the situation	Why we want to do something
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<ul style="list-style-type: none"> SBC have been awarded £995,000 through phase II of Sport England’s Swimming Pool Support Fund to decarbonise Sunbury Leisure Centre; installing further PV panels and air source heat pumps. 	<ul style="list-style-type: none"> The grant has been accepted under delegated authority. SBC now need to appoint a contractor to deliver the project within the time frame, by the end of March 2025.
<p>This is what we want to do about it</p>	<p>These are the next steps</p>
<ul style="list-style-type: none"> To enable us to undertake the work within the timeframe we would like to award the contract to Constellia Public Ltd, who can appoint to LCE, the organisation that was engaged to help prepare the proposal. 	<ul style="list-style-type: none"> Council agree the recommendation Contractor appointed Planning consent sought Project delivered Funds drawn down in phased instalments to be agreed

1.1 This report seeks to secure agreement to appoint a contractor to deliver a project to decarbonise Sunbury Leisure Centre.

2. Key issues

2.1 In March 2023 as part of the Spring Budget the Government announced £60m fund to support publicly owned leisure centres and swimming pools; the Swimming Pool Support Fund (SPSF).

2.2 On the back of wider environmental improvements to Sunbury Leisure Centre that have already been implemented, SBC engaged the services of a company called Low Carbon Europe (LCE) to develop a bid to significantly reduce the carbon footprint of Sunbury Leisure even further by installing additional solar panels and replacing the existing gas boilers with air source heat pumps as part of Phase II of the funding scheme. The bid was submitted in October 2023.

2.3 As a result of that bid, in March 2024 SBC were awarded £994,883; one of the largest allocations made to any local authority in the country. Of this:

- £104,103 to install Photo Voltaic (PV) Panels (solar panels) on the roof of the centre.
- £890,780 to replace the existing ageing gas boilers with air source heat pumps.

2.4 The work will need to be paid by the council and completed in advance of the release of funds which, in order to satisfy the funding criteria, needs to be delivered by March 2025.

2.5 The grant conditions were accepted under delegated authority by Terry Collier in his capacity as the Councils Statutory Chief Financial Officer.

- 2.6 Because the timeframe to conclude the project are tight it is proposed that the contract be awarded by direct contract. Contract Standing Orders permit direct award where contracts are procured from an external Framework Agreement provided the Framework conditions have been satisfied.
- 2.7 Procurement assessed ESPO MSTAR4 – Lot 4 of a Statement of Work as the most suitable framework to use. This provides the opportunity to direct award to Constellia Public Ltd, they have LCE on their pre-approved suppliers list who were engaged to help prepare the proposal. In addition, should we go out to tender this could delay the planning process and approval until the autumn which ultimately could jeopardise the project from being realised.
- 2.8 The fee that Constellia Public Ltd charge for ESPO MSTAR4 is 2.25%. This has been factored into the funding bid and does not pose a further risk to the council.

3. The proposed contractor: Low Carbon Europe

- 3.1 LCE were already working with the council to conduct decarbonisation reports/plans for 51 of the Council's buildings as a result of Salix funding. Assets, who engaged their services, expressed that all work had been satisfactory.
- 3.2 Given LCE developed the proposal that ultimately led to the award of funding. Without their input it is unlikely we would have received funding of this magnitude. Given their familiarity with the site and the fact that they are an approved supplier of Constellia Public Ltd who are under ESPO MSTAR4 and can be appointed directly, it is regarded that it would be advantageous for them to continue to develop the scheme and oversee the work.
- 3.3 They are regarded highly in the sector and were awarded Energy Consultancy of the Year in the South East Energy Efficiency Awards in 2021 and 2022.
- 3.4 LCE operate to the code of professional conduct laid out by the Institute of Management Consultants and is fully certificated under ISO 9001:2015 Quality Assurance system. Additionally, LCE operate an Environmental Management certificated with ISO 14001:2015.

4. Options analysis and proposal

- 4.1 Option 1 (Recommended Option) appoint LCE who is part of Constella Public Ltd approved providers list on ESPO. Although the contract will be between SBC and Constellia Public Ltd, the project will be delivered by LCE to develop the designs and manage the project to deliver the fully funded project.

Having developed the bid and given their experience in this sector LCE are well placed to deliver the project within the timeframes imposed by Sport England. To go out to tender risks delaying the project and satisfying the conditions within the deadline.
- 4.2 Option 2 Go out to wider tender. As the funding has been secured to deliver the project there is limited benefit of going out to tender to deliver the project at a cheaper rate as the project cost is directly linked to the funding secured to deliver the project. The tender process would take a considerable length of

time which in addition to seeking planning consent and implementation of the work could put the project in jeopardy.

- 4.3 Option 3 Don't undertake the work. This is not recommended. The council has made a pledge to be carbon neutral by 2030. The existing gas boilers are ageing, and it is anticipated that they would need to be replaced during the next ten years. If we were not to utilise this funding, we would likely need to meet the costs of replacement within that timeframe and replacing them with a new gas boiler would be at odds with our commitment to be carbon neutral by 2030.

5. Financial management comments

- 5.1 Whilst the council would be expected to pay for the project costs up front because the project is fully funded there would be no net financial impact on the council's budget.
- 5.2 The capital project is recommended as a supplementary capital estimate, to be included in the estimated Capital Programme for 2024-25 and will be presented to Council on 18th July for approval.

6. Risk management comments

- 6.1 Deadline for drawdown. This is a recognised risk and the principal reason for proceeding to seek appointment by direct award. We will look to draw the funding down in instalments as the work is undertaken to mitigate this risk.
- 6.3 Landlord's formal consent to works. The Leisure centre is leased from Sunbury Manor School under a long lease with 14 years remaining. The school have given indications that they are happy for the work to be undertaken subject to approval of designs which will be finalised as part of the bid.
- 6.4 Planning. We are in discussions with Planning. They are reviewing the proposals against permitted development, but the consultant is of the opinion that this unlikely to be required.

7. Procurement comments

- 7.1. Procurement has already carried out a soft market testing exercise to identify the best way to let this contract. From the market assessment, the following Frameworks were identified:

- AEC Neutral Vendor framework for Multi- Specialist Services
- SEWTAPS framework- Lot 11 of a consultancy framework
- ESPO MSTAR4 – Lot 4 of a Statement of Work
- YPO 940 Managing Consultancy and Professional Services Framework and NEP O508

- 7.2 Out of these frameworks, ESPO MSTAR4 – Lot 4 of a Statement of Work was assessed as the most suitable framework to use because the framework includes Constellia Public Ltd who have LCE as approved providers list. Procurement has already obtained the framework call-off terms is being reviewed by Legal.

Once this report is approved Constellia Public Ltd will be appointed via a direct award and will engage Low Carbon Europe to develop the designs and manage the project to deliver the fully funded project

- 7.3 Given that ESPO is a compliant framework the appointment of a consultant via this framework will meet Sport of England requirement to follow all applicable procurement rules.

8. Legal comments

- 8.1 Contract Standing Orders permit direct award where contracts are procured from an external Framework Agreement provided the Framework conditions have been satisfied (paragraph 22 of part 4(e) of the Constitution).
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9. Other considerations

- 9.1 None

10. Equality and Diversity

- 10.1 The project will enable enhancement of a local accessible facility open to people irrespective of protected characteristics.

11. Sustainability/Climate Change Implications

- 11.1 The Council declared a climate change emergency in 2020 and adopted a subsequent climate change strategy in 2022. This project aligns with the commitments made in the strategy, to deliver clean, renewable energy on Council sites where viable.

12. Timetable for implementation

- 12.1 If approved LCE will be engaged to develop the plans and to submit a planning application. It is envisaged that once approved the work would commence in the autumn to allow time for the project to be completed by the end of January 2025 allowing sufficient time for slippage in advance of the grant draw down deadline.

13. Contact

- 13.1 Kamal Mehmood, Leisure and community Development Manager
- 13.2 K.Mehmood@spelthorne.gov.uk.

Background papers: None.

Appendices: None

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