

Public Sector Decarbonation Scheme (PSDS) Update

Date: 25/05/2023

Report of: Chief Officer Climate, Energy and Green Spaces

Report to: Climate Emergency Advisory Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Public Sector Decarbonisation Programme (PSDS) has recently successfully completed the delivery of PSDS3a. With air source heat pumps and solar delivered at 10 sites in Leeds. PSDS recently began the delivery of a new scheme (PSDS3b). At present fifteen sites are in scope with estimated carbon savings (see appendix 1) and further sites being explored.

Recommendations

- a) To note the contents of the report

What is this report about?

- 1 This report provides an update to the Public Sector Decarbonisation scheme (PSDS). Since the last report to board in November 2021 the team have been working to optimise the 40 sites that were installed as part of PSDS1 and add in meters to monitor the performance of the technology. In addition, the team were successful in bidding for further funding for 3a (10 sites) completed in March 2023 and 3b which is currently underway with 15 sites at pre-design stage and further sites looking to be added to the scheme.
- 2 PSDS3b is approaching the pre-construction phase with detailed designs approved for four of the sites and detailed designs about to be reviewed for the remaining sites. The team have been working closely with school business managers and the LCC planned maintenance team to ensure that essential maintenance works can be carried out in schools over the summer and PSDS works are only taking place where no works are planned or where a school site is large enough to accommodate two sets of contractors.

What impact will this proposal have?

- 3 This project would support the Council's efforts to tackle the Climate Emergency and reach net zero by 2030. Decarbonisation of sixty sites through the installation of a range of low-carbon and/or energy efficiency technologies would be achievable at a considerable saving, particularly important given the eventual need for the Council to complete these works at its own cost in the future.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

4

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted? Yes No

- 5 The Chief Officer of Sustainable Energy & Air Quality has been engaged and driven the grant applications and will be responsible for the delivery of the project.
- 6 Procurement and Commercial Services reviewed the cost reports for 3a and 3b prior to the decision and confirm that the procurement approaches recommended are in line with Council CPRs.
- 7 Children & Families have been engaged and consulted with throughout the grant process. The team have formed part of the site selection process to minimise clashes with the service's Planned Maintenance Programme (PMP) and have also agreed to contribute match funding of £1,200,000 from the 2023/24 budget for works solely relating to the installation of the air source heat pumps to support delivery and ensure adherence to the grant award requirements.
- 8 Asset Management have been consulted directly in the development of the PSDS bid to inform the selection of appropriate buildings to ensure only buildings earmarked for long-term retention are selected.
- 9 Building managers are being consulted as project delivery approaches to facilitate site surveys and works delivery and ensure any local factors and timescales are taken into account. The SEAQ service is and will be project managing delivery to mitigate as much as possible any disruptive impacts of site surveys and works and ensure that services are not unduly impacted by these works.
- 10 Ward members have been consulted with to make them aware of the bids that have been submitted and the rationale for selecting sites in their ward.
- 11 Further consultation with members is required as some site that were part of the original bid are having to be removed from the scheme but the team are hopeful that some of these sites can be considered for PSDS3c that is due to be announced by Salix in the autumn.

What are the resource implications?

- 12 A team of three are established within LCC to run the PSDS projects. There is also one additional officer working part time to support on PSDS3b as he has experience from PSDS1 and PSDS3a.

What are the key risks and how are they being managed?

a) Delivery

- i. delivering the project by March 2024 in line with the grant requirements and managing cost pressures. To mitigate these risks the following actions are proposed:
 - (1) Direct award for heat pump work through the Procurement for Housing framework to increase the timescales for delivery and enable works to commence prior to the school summer holidays – a key period for completing disruptive works. The contract will be a fixed price of grant value plus LCC's match funding contribution - this gives cost certainty to the Council during this time of budgetary pressure.
 - (2) Beginning early engagement with Northern Power Grid in order to get four priority sites scheduled in for the school holiday period. Out of the 15 sites currently being assessed 8 require substations which will all need planning approval and legal permissions to upgrade the power supply. This will involve digging on public highways and within the school/site grounds.
 - (3) One of the key challenges with this scheme is that prior schemes have allowed the air source heat pumps to operate with gas boilers as part of a hybrid system. Under this round of funding the criteria have not allowed this so the air source heat pumps have to be designed in such a way to ensure they can heat the site up to the required temperature all year round. As a result, secondary heating upgrades and pipework improvements are essential to the success of the scheme.
 - (4) Working with the schools planned maintenance team to ensure a programme could be put together that would not disrupt their works.

b) Cost and site change

- i. At bid stage, the Cenergist Limited provided maximum costs based on preliminary surveys and a risk weighting. In order to meet the necessary contract value with a 12% client contribution on top of the PSDS grant, Cenergist Limited are producing detailed design reducing their costs down to the required contract value. If this is unachievable at specific sites, then alternatives will be considered and as a result the scope of sites & technologies installed at each site may change

What are the legal implications?

13 Legal have been consulted and procurement rules followed for all schemes. See background papers for more details.

Options, timescales and measuring success

What other options were considered?

14 We reviewed the sites with the highest energy consumption and where the heating infrastructure was in need of replacement in line with the grant conditions and requirements. We reviewed site for availability of space (Heat Pump and Solar locations), extent of preconstruction work (i.e., asbestos) and factors such as age and condition of existing equipment.

How will success be measured?

15 The timeline set to deliver PSDS3B is very tight due to the number of stakeholders involved, the pre-construction approvals (Site Consultation, Condition Surveys, Design, Planning, Northern

PowerGrid Assessments and Applications), procurement lead times and multiple construction work fronts. Success will be measured in our ability to deliver the selected site within the 12-month period set by Salix.

What is the timetable and who will be responsible for implementation?

16 PSDS3b will be delivered over the next 12 months and is due to be completed in March 2023. The project team from LCC are working with Cenergist Ltd and Solar for Schools and will begin delivering at four schools during the 6-week holidays. We will have to establish the lead contractor on each site (Cenergist or Solar for Schools) and coordinate any other existing works the site has programmed.

Appendices

- Appendix 1- PSDS site list

Background papers

- [\(30 March 2022\) - Decarbonisation of the Council's estate through Public Sector Decarbonisation Scheme \(PSDS\) funding – 3a Key decision report](#)
- [\(09 December 2022\) - PSDS3b - Decarbonisation funding opportunities for corporate and school buildings](#)