

## **PART 1 LEISURE INVESTMENTS AND DECARBONISATION PROJECT REPORT**

### **QUESTIONS FROM MEMBERS**

- 1. Please could the full analysis of the alternative “scaled back” options considered be made available to the committee? I’m particularly interested in the alternative financial, environmental and risk impacts of those options.**

A full analysis of the alternative scaled back options has not been carried out due to time constraints and the risk that Salix would not accept a major variation to the application. Our original application was submitted following a detailed assessment of the council’s estate, with the three sites with the highest energy consumption selected, based on achieving a maximum threshold of £325 per carbon tonne saved across all three sites. Any changes to the grant application could mean that the application would not meet that threshold, particularly if we did not include North Herts Leisure Centre – as this has the highest emissions.

Wilmott Dixon have carried out a high-level assessment of what the grant value could be for two alternative options – one for completing works at Hitchin and Royston only and the second for NHLC and Royston only. In those scenarios it is estimated that the council could no longer be eligible for approximately £4million of grant funding and £3million of grant funding respectively. Any scaled back option would also be negative in terms of decarbonisation levels achieved- see graph in paragraph 8.1 of the part 1 report. Therefore, the scaling back options only reduce the current financial exposure, and therefore risk. If Hitchin or North Herts Leisure Centre were not taken forward at this stage, then any future CHP buy-out costs would be reduced, as they are linked to the remaining contract period remaining. The financial risk of not progressing now is that the value of grant available in future will be lower than what is available now.

There is a risk that Salix would not allow such a major change to the scope of works following grant offer. This may also impact our ability to apply for grant funding in the future. As the gas boilers at each centre are end of life, we will have to replace them if we don’t carry out the works, meaning we would not be eligible for future rounds of PSDS for those sites. If the Council is to meet its net zero carbon goals it will have to decarbonise the leisure centres at some point, but if the works are scaled back at this stage, it is much more likely the council would have to fully fund those works, without grant assistance.

2. What is the breakdown of forecast expenditure for each centre across PV, ASHP and other project costs?

ELEMENT	Hitchin	Royston	North Herts	Combined
<b>DE-CARBONISATION WORKS</b>				
Double Glazing	31,500	N/A	108,450	139,950
External Wall Insulation	296,300	396,250	486,950	1,179,500
Loft Insulation	1,186,500	573,850	632,350	2,392,700
Heat Recovery	39,000	N/A	172,000	211,000
Variable Speed Drives	6,000	6,000	6,000	18,000
ASHP (air to water)	960,000	1,510,000	1,120,000	3,590,000
Air Handling Units	82,000	N/A	182,000	264,000
Cooling Plant Replacement/Upgrade	60,000	95,000	70,000	225,000
Lighting Discrete Controls	25,000	N/A	9,000	34,000
Solar PV	425,000	330,000	250,000	1,005,000
Ancillary Works	50,000	40,000	60,000	150,000
<b>ADDITIONAL WORKS</b>				
Swimming Pool Extension		2,722,250		2,722,250
Gym & Store Extension		1,250,000		1,250,000
<b>SUB-TOTAL: BUILDING WORKS</b>	<b>3,161,300</b>	<b>6,923,350</b>	<b>3,096,750</b>	<b>13,181,400</b>
MAIN CONTRACTOR'S PRELIMINARIES	465,250	392,000	468,000	1,325,250
Design Fees & Surveys	175,000	125,000	150,000	450,000
<b>SUB-TOTAL: INCL PRELIMS &amp; FEES</b>	<b>3,801,550</b>	<b>7,440,350</b>	<b>3,714,750</b>	<b>14,956,650</b>
RISKS	252,904	553,868	247,740	1,054,512
FIXED PRICE	Excluded	Excluded	Excluded	Excluded
Contractors Fee	124,066	244,623	121,252	489,942
Framework Fee 3.06%	124,066	244,623	121,252	489,942
<b>PROJECT TOTAL (EXCLUDING VAT)</b>	<b>4,178,520</b>	<b>8,238,841</b>	<b>4,083,742</b>	<b>16,501,104</b>
<b>PROVISIONAL SUM ALLOWANCES</b>				
STATS Village Change	9,000	122,000	132,000	263,000
		100,000		100,000
<b>PROJECT TOTAL (EXCLUDING VAT)</b>	<b>4,187,520</b>	<b>8,460,841</b>	<b>4,215,742</b>	<b>16,864,104</b>