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| <b>Item No</b>                                 | <b>Referred from:</b> | <b>Overview and Scrutiny Committee</b>                  |
| <b>6C</b>                                      | <b>Date:</b>          | <b>7 January 2025</b>                                   |
|  | <b>Title of item:</b> | <b>Council Delivery Plan 2024-25 (Quarter 2 Update)</b> |
| <b>To be considered alongside agenda item:</b> |                       | <b>Agenda Item 19</b>                                   |

The report considered by Overview and Scrutiny Committee at the meeting held on 7 January 2025 can be viewed here: [Agenda for Overview and Scrutiny Committee on Tuesday, 7th January, 2025, 7.30 pm | North Herts Council](#)

**RECOMMENDED TO CABINET:** That Overview and Scrutiny Committee commented on the Council Delivery Plan Quarter 2 monitoring report, including the recommendations made to Cabinet:

- (1) That Cabinet notes the progress against Council projects as set out in the Council Delivery Plan and approves the changes to the milestones (Appendix A).
- (2) That Cabinet notes the performance against the performance indicators and confirms the actions detailed in paragraph 8.4.

**REASON FOR RECOMMENDATION:** The Council Delivery Plan (CDP) monitoring reports provide Overview and Scrutiny Committee, and Cabinet, with an opportunity to monitor progress against the key Council projects, and understand any new issues, risks, or opportunities.

*Audio recording – 2 hours 9 minutes 54 seconds*

Councillor Ian Albert, as Executive Member for Finance and IT, introduced the report entitled 'Council Delivery Plan 2024-25 (Quarter 2 Update)' and advised that:

- The Council Delivery Plan had been developed with important input from this Committee and tried to simplify and target information to focus on the key issues.
- Colleagues outside of this Committee should be encouraged to review this report as it provided a snapshot of the key areas being progressed with Council projects and the milestones around these.

The Service Director – Resources presented the report entitled 'Council Delivery Plan 2024-25 (Quarter 2 Update)' and advised that:

- There was 1 red indicator in this quarter and a further two marginal amber indicators, which were outlined at paragraph 8.4 of the report.
- Previously the report had contained a summary listing all projects reported with their current status, but had been taken out in quarter 1, as all projects were green, and had been omitted from this report by mistake.
- There were currently 6 green projects and 5 amber projects and the appendix contained detail of these, with amber projects first, followed by green projects.

The Service Director – Place provided an update on the Urgent Item relating to the Leisure Centre Decarbonisation Project, as outlined in Agenda Item 6, and advised that:

- The Cabinet paper on this had been circulated to Members of this Committee earlier today.
- During the design stage, whilst looking at heat pump options, there were identified issues regarding the projected running costs of these, which had increased.
- The grant front loading in 2024/25 and in order to claim the funding, evidence must be provided that the spend was incurred in the correct financial year and that the asset was owned by the Council.
- The Council was advised that bespoke designed heat pumps could not be provided in time for the grant funding requirements. Therefore, an off-the-shelf option was required.
- Tables 1 and 2 of the report provided the best and worst case scenarios for increases in costs. However, it should be noted these figures do not take into account additional improvements to centres being made, and further detail on these figures was expected from the contractor.
- Table 3 of the report provided the same scale of potential increases but for the larger heat pumps.
- There were four options being presented in the Cabinet report, and subject to agreement from Salix that the Council could pay upfront for the bespoke heat pumps and provide this as evidence of spend in the correct year, Option 4 would be recommended as the preferred option.
- One option proposed was to only continue with the work at Royston leisure centre, as there was still a small saving possible there, and some grant funding would still be available.
- Further detail to the report would be added as a supplement to Cabinet, once available.

The following Members asked questions:

- Councillor Jon Clayden
- Councillor Louise Peace
- Councillor Ralph Muncer
- Councillor Matt Barnes

In response to questions, the Service Director – Place advised that:

- It was not possible to extend the grant timeframes, and the funding could not be carried over into the next financial year. This has been confirmed by Salix.
- A range had been estimated of between £150k and £320k increase per annum for the small heat pumps.
- An estimated increase of £70k had been provided for the large heat pumps and she would check with the contractor whether there was a potential range for this increase.
- The previous gas combined heat and power (CHP) contract for North Herts Leisure Centre and Hitchin Swim Centre had not yet been terminated, as Officers were awaiting a final timeline for the programme before confirming this with Centrica.
- If Cabinet chose option 2 or 3, the current gas boilers in the centres would need to be replaced very soon as they are end of life. However, if the Council were to install new gas boilers in these sites, then the Council would not be eligible for future rounds of funding.
- As part of the new leisure and active communities contract, condition surveys had been carried out on the buildings and no major issues were identified.
- Rationalisation of the three existing centres into a new, energy efficient centre had not been considered.
- The Royston centre currently has no gas CHP boilers, whereas the other two centres did have these. The CHP generates electricity, which helps to reduce bills, therefore when replacing them with an air source heat pump, it would mean replacing both the gas and electricity the CHPs generate, meaning an increase in electricity bills.

- The termination fee for ending gas CHP agreements would be reduced the longer the agreement continued.
- A workshop had been held with Everyone Active prior to Christmas to look at how works could be completed to minimise disruption to customers. They had considered options to mitigate against closures and consider how services could still be provided, even if parts of the centres needed to be closed.
- There would be a comprehensive communication plan developed once required closures had been confirmed and Members would be informed.
- Salix were keen to work with the Council to ensure the funding could be provided and confirmed the removal of two centres from the project would be fairly straightforward.
- There were currently enough of the smaller heat pumps in stock for all three of the leisure centres.

In response to questions, the Service Director – Resources advised that:

- There would be lots of investments in the leisure centres with these changes, including replacement of windows and walls for the work to be conducted, and no plans were being made for closure of the centres themselves.
- It was likely that a corporate risk relating to proposed changes to local government would be added in the next quarterly report.
- There were currently no plans on the resourcing of proposed local government changes. There were discussions between Chief Executives at district level, however no formal responsibility for this project had been agreed.

Councillor Daniel Allen, as Leader of the Council, advised that nothing further had been confirmed regarding local government reorganisation proposals from central government, but he would keep the Committee updated on any progress.

Councillor Matt Barnes, as Chair, proposed and Councillor Tina Bhartwas seconded and, following a vote, it was:

**RESOLVED:** That Overview and Scrutiny Committee determined any project that they want to receive more detail on as part of the next monitoring report.

**RECOMMENDED TO CABINET:** That Overview and Scrutiny Committee commented on the Council Delivery Plan Quarter 2 monitoring report, including the recommendations made to Cabinet:

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