



COMMUNITY SERVICES AND LICENSING COMMITTEE OFFICER REPORT

NAME OF ORGANISATION/BODY	Stroud District Council
BRIEF REPORT: Decarbonisation of Stratford Park Leisure Centre, the Museum in the Park, Stroud and The Pulse, Dursley.	
<p>1. Introduction</p> <p>1.1. The purpose of this report is to update members on the current position and progress with the installation of Air Source Heat Pumps at Stratford park Leisure Centre and the Museum in the Park, Stroud and The Pulse, Dursley; following Council's decision to accept the Salix Grant and provide match funding to deliver the project at its meeting on the 16th February 2023.</p> <p>1.1. The project supports the council's 2030 Strategy and its commitment to be an exemplar in investing in its own property and changing its policies and practices to achieve carbon neutrality.</p> <p>1.2. This proposal is also in accordance with the adopted Council Plan and specifically seeks to support the delivery of objectives EC1.5; Explore and progress additional projects for carbon reduction, complements the One Public Estate project; retrofitting of public buildings (EC3.2) and (CW4.1) helping to make our Leisure provision fit for the future.</p> <p>2. Progress</p> <p>2.1. Rapid progress has been made with procuring a contractor to deliver these works, which has been achieved through use of the Everything FM framework. A consultant engineer has been appointed, asbestos surveys have been undertaken, planning applications submitted, employer's requirements and all the necessary procurement documents have been drafted with input from the project team (including building managers).</p> <p>2.2. Invitations to tender were sent on 17th March 2023 and bids returned on 24th June 2023. These were evaluated and Cotswold Energy Group has been selected as the preferred bidder. Ground source heat pumps were not proposed by any of the tenderers as they would be unable to provide a suitable return on the additional cost of their installation, there were concerns over the ground being able to remediate sufficiently and the availability of suitable drilling rigs was uncertain. Therefore, the preferred tender proposal incorporating additional photovoltaic installations at all three sites together with enhancements to other elements of plant and equipment will provide a better return and are considered more sustainable.</p>	



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2.3. Air source heat pumps are the preferred option for all 3 buildings and bids have come in under considerably under budget. Some additional works are being considered (including replacement Air Handling Units at both the Pulse and SPLC) which will further improve energy efficiency and carbon savings, subject to Salix approving use of the grant monies for this purpose.

2.4. The contractor is expected to be in contract by 1st July 2023, but is already working on the project and is completing the final designs. The recently announced merger of Cotswold Energy Group Ltd with South Coast Insulation will not impact on the delivery of this project.

3. Main Risks

3.1. Inadequate heat supply. *The heat pump system may not provide enough heat or may not heat the building/pool up quickly enough.* Detailed building surveys will ensure that the heat pumps and radiators are suitably sized to meet the building loads.

Performance specifications and heat load calculations are to be submitted to the consultant for approval.

3.2. Disruption to occupiers during installation. *The installation is likely to take place during the 2023/24 heating season, so will result in some disruption.* Closures will be targeted for quieter months (August/December/January) and customers will be kept informed throughout. The contractor's programme indicates a maximum of one week shutdown for whole sites albeit there will be a need to agree planned partial shutdowns of some spaces and works will be undertaken out of normal hours wherever possible.

Internal works to the Museum in the Park are now planned for a series of Mondays when closed to the public.

3.3. Impacts on occupiers during operation. *Occupiers may also be affected by a change in the behaviour of the heating system.* The current proposed designs will enhance the efficiencies of the heating systems and result in better comfort levels for users.

3.4. Not meeting Salix deadlines. *The Salix grant deadline may not be met and the council would have to meet any shortfall in funding.* The deadline for drawing down grant funding is 31st March 2024. The contractor's programme includes for the completion of all installations by the end of January 2024 ensuring adequate time for final commissioning.

This risk will be managed carefully and reported on throughout the project.



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The contracts include for recovery of damages should the contractor not complete by the March 2024 deadline.

3.5. Consenting delays or difficulties. *Planning permission and Listed Building Consent is required.* Planning and listed building consent applications have been submitted. Should Listed Building Consent not be granted at the Museum in the Park there remain options to site plant in line with earlier consents received or to centralise the plant at the Leisure Centre.

3.6. Electrical Supply and DNO Approval. *Approval is required from the National Grid (the DNO).* Initial discussions suggest that the supplies are adequate at both the Museum in the Park and SPLC whilst the contractor's tender includes for an upgrade at the Pulse which has come from those discussions with National Grid.

3.7. Supply chain delays of equipment and labour. Early procurement and placement of orders will help to mitigate this, but it needs to be kept under review. The contractor requires approval of the final design by 1st July in order that they can place orders. The suppliers of the preferred plant have not suggested delays to deliveries and the contractor would source optional suppliers should this be required.

3.8. Delays in programme leading to an extended closure of the facilities. *This will lead to increased costs and an impact on customers.* The planned closures are now shorter than was anticipated. Good contract management and a communications strategy will help to mitigate this risk.

3.9. Higher capital costs than expected. The preferred contractor's tender sum, following competitive tender, is below the client's budget projection and within the grant offer from Salix. The works are procured through a design and build contract placing the majority of cost risks with the contractor.

3.10. Abortive costs. *There is a risk of abortive costs if the project doesn't proceed through its respective phases.* The council have committed approximately £120k of design costs to date and intends to be in contract by 1st July.

4. Salix Grant

4.1. Monthly monitoring reports are being submitted to Salix as required under the grant conditions and an early payment has been drawn down successfully. Salix has been approached for approval of the additional works as outlined above.



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5. Next Steps

5.1. The contractor is to continue survey work and will complete detailed design for client's approval by 1st July. Works will commence on all sites in July subject to receipt of respective statutory consents.

6. Key Milestones:

Delivery Milestone	Provisional Date	Completion	Actual completion date
Project Approval (Council)	16/02/2023		16/02/2023
Pre-Design Stage	27/02/2023		27/02/2023
Tender documents finalised	13/03/2023		13/03/2023
Out to tender	20/03/2023		17/03/23
Tenders complete	05/05/2023		24/05/2023
Orders placed	22/05/2023	01/07/2023	
Work in progress on site	29/05/2023	10/07/2023	
Completed on site	02/02/2024		
Final Commissioning	29/02/2024		
Key: Completed			

7. Comms

7.1. Staff at each site have been being kept informed by their managers and Everyone Active, through their regular contractor meetings. Cotswold Energy have agreed to issue joint comms and, once the programme is clearer, more information will be provided to customers and the wider community.

7.2. Initial indications are that close downs at each site will be much shorter and less disruptive (e.g. partial closedowns) than originally estimated.

FUTURE MEETINGS	21/09/2023
REPORT SUBMITTED BY	Brian McGough ; Programmes Manager Alison Fisk, Head of Property Services
DATE	05/06/2023