



Classification	Item No.
Open	

<b>Meeting:</b>	Cabinet
<b>Meeting date:</b>	24 March 2021
<b>Title of report:</b>	Public Sector Decarbonisation Scheme
<b>Report by:</b>	Cabinet Member for Environment and Climate Change and Cabinet Member for Corporate Affairs and HR
<b>Decision Type:</b>	<b>Key Decision</b>
<b>Ward(s) to which report relates</b>	<b>All</b>

## **1.0 Executive Summary:**

- 1.1 This report provides information about the Council's participation in the Greater Manchester Public Sector Decarbonisation Scheme funding bid and explains the importance of the scheme in the context of the ambition for Bury to be carbon neutral by 2038, which is a key commitment as part of the Let's Do It strategy.

## **2.0 Recommendation(s)**

### **That the Cabinet:**

#### **2.1 Note that:**

- the Council has received notification from Salix that the grant application has been approved and that £8.5m is to be awarded to Bury Council subject to formal sign-off of the grant conditions;
- the formal approval and sign-off process for the grant was delegated by Cabinet in February to the Executive Director of Operations and the Council's

S151 Officer in consultation with the Cabinet Member for Environment and Climate Change and the Cabinet Member for Finance and Growth;

- the scheme will be added to the Capital 2021/22 Capital Programme;
- in order to meet the challenging timescales for delivery, that some works have commenced at risk, however the full cost will be met from the grant once the formal approvals have been received and accepted;
- approval to award the required contracts to deliver the project were delegate by Cabinet in February to the Executive Director of Operations in consultation with the Cabinet Member for Environment and Climate Change and the Cabinet Member for Corporate Affairs and HR.

2.2 Approve the Council's participation in the Public Sector Decarbonisation scheme (as set out in Appendix 1), following the confirmation received on 26 February 2021 that the Greater Manchester bid had been successful.

### **3.0 Key considerations**

3.1 The "Lets Do It" Strategy approved by Cabinet on 23 February 2021 included a commitment for the whole borough to be carbon neutral by 2038, which responds to the Council's declaration of a Climate Emergency in 2019. This carbon neutral target aligns with the Greater Manchester target included in the 5 Year Environment Plan for Greater Manchester.

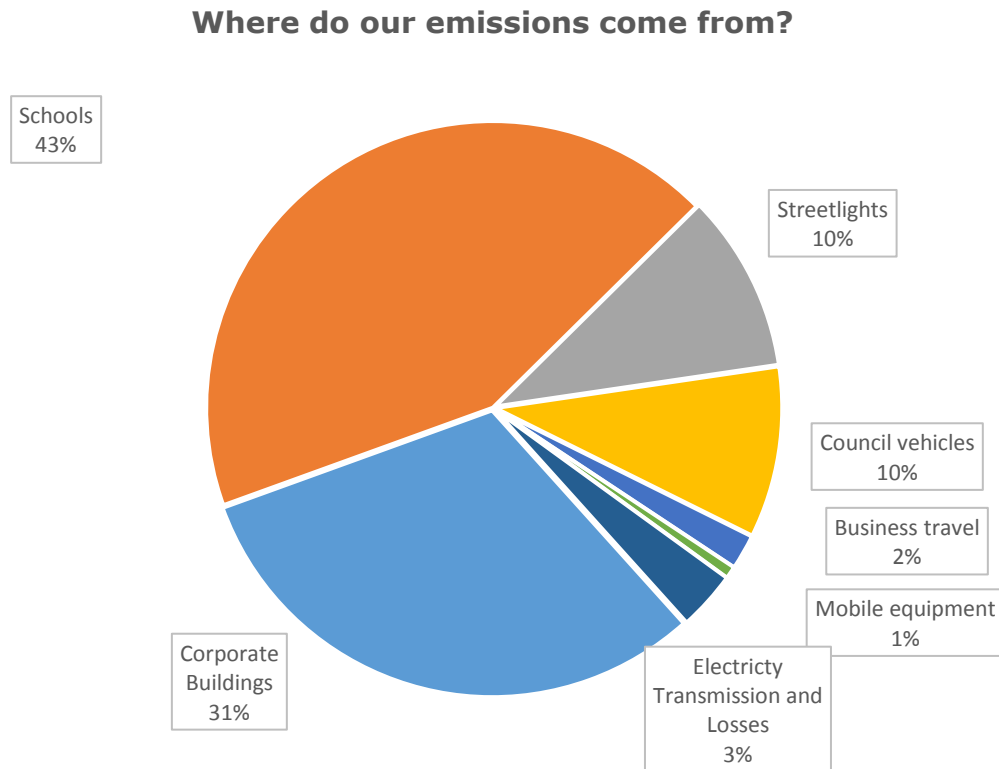
3.2 Achieving this carbon neutral commitment will require a step change in the way our communities live. We will need to help them to move away from fossil gas heating to renewable energy heat pumps and improve the insulation of housing stock. We also need to move away from petrol and diesel cars to active travel, public transport, and electric vehicles. This represents a huge challenge, but one that we must face to protect the health and wellbeing of our communities.

3.3 To help achieve this change the Council must provide leadership for all individuals and organisations in the borough to reduce emissions. We are currently producing our Climate Action Strategy, which will be developed with the community to show how we will progress to our 2038 target.

The Council must also lead by example by decarbonising our own buildings, which must include investment in low carbon measures such as heat pumps and solar energy.

### **4.0 Council Emissions**

- 4.1 Figure 1 below shows that the vast majority of the Council's carbon emissions come from our schools and corporate buildings. Our total emissions in 2019/20 were 15,650 tCO<sub>2</sub>e, which we must reduce to net zero by 2038.



**Figure 1 Sources of Bury Council's Carbon Emissions**

- 4.2 Over the last 10 years we have implemented a whole range of measures in our buildings to reduce carbon emissions including improved insulation, voltage optimisation, double glazing, new low energy lighting and controls, solar water heating, and condensing boilers. More recently we have:
- Installed 11,431 low energy LED streetlights meaning that nearly 60% of our streetlights are now LED. A further 3,194 will be fitted with LED over the next 5 years so that 75% of our streetlighting will be converted.
  - Refurbished Killelea elderly persons home to include energy efficiency works such as: combined heat and power, LED lighting, lighting controls, solar panels and a new building energy management system.
  - Installed low energy LED lighting at Ramsbottom Pool, Bury Market, Bury Adult Learning Centre, Bradley Fold Depot and The Villa.
  - Installed a 30KWp solar panel scheme at Radcliffe Market and a 25 kWp solar panel scheme at our Bradley Fold Depot.
  - Generated 202,682 kWh from renewable energy on council buildings in 2019/20.

- 4.3 Over the last 12 months we have been working closely with GMCA to gather data from our buildings to look at the potential for improved energy efficiency, renewable energy heating and solar energy. The aim of this work is to allow us to prioritise our buildings and to get projects "bid ready" so that we are able to respond to funding opportunities which often have tight timescales for submission and delivery.
- 4.4 School buildings account for 43% of our total carbon emissions and therefore over the next 12 months we propose to work closely with head teachers and business managers to develop a prioritised list of "bid ready" projects, that can be considered as funding opportunities arise.

## **5.0 Decarbonisation of Council buildings**

- 5.1 From 2008/09 to 2019/20 we have reduced our Council emissions by 47%. This is a significant achievement, but we are aware that along with the introduction of carbon reduction measure, some of this has been achieved by the closure of buildings and also the decarbonisation of the electricity supply grid. Our focus now must be to drastically reduce the carbon emissions from our buildings through the introduction of a number of carbon reduction measures.

## **6.0 The GM Public Sector Decarbonisation Scheme**

- 6.1 In October 2020 we were given the opportunity to work with GMCA and other GM councils to develop a bid to the Governments Public Sector Decarbonisation Fund. The funding has been provided by the Department for Business, Energy Industrial Strategy (BEIS) and is being delivered by Salix. It is designed to support the installation of heat pumps, alongside supporting measures such as improved insulation, glazing and solar panels on public sector buildings. All projects funded by this scheme have to be completed by 30 September 2021.
- 6.2 Corporate buildings account for 31% of total Council emissions and because the bid submission deadlines were tight, we prioritised and put forward a number of our corporate building over which we have direct control. In November 2020 in partnership with the GMCA we submitted an £8.5 million bid for 100% funding for carbon reduction measures at 16 Council owned buildings.
- 6.3 Details of the buildings included, and the measures proposed are described in Appendix 1 and mainly involve the installation of new heat pumps, solar panels and improved insulation.
- 6.4 Salix are managing this grant scheme on behalf of BEIS and they originally advised that we would receive any formal grant offer by 11 December 2020.

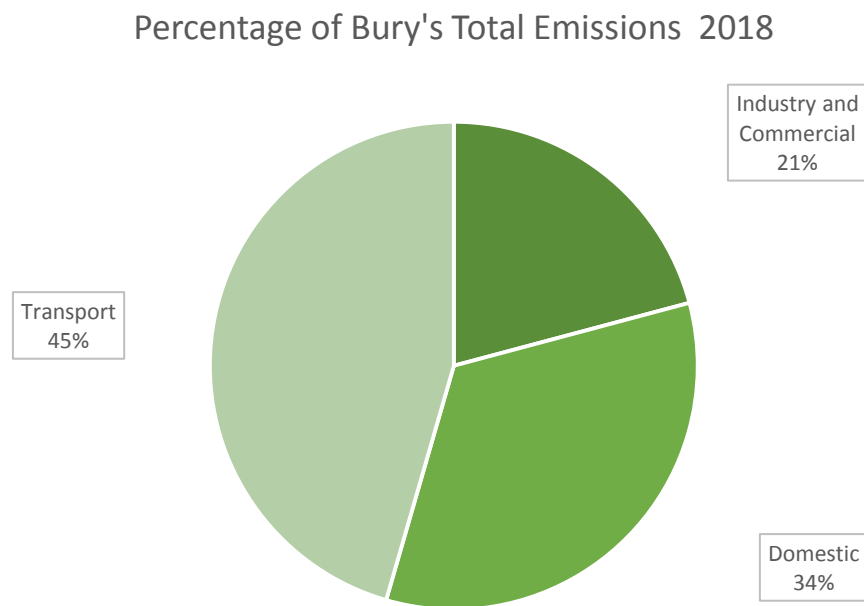
However, Salix's response has been significantly delayed, such that we received notification that our bid was successful on 26 February 2021.

- 6.5 The £8.5million award will fully fund the delivery of low carbon measures in 16 corporate buildings which will help us progress towards our carbon neutral targets. In addition, it is expected to generate revenue savings that could be up to £265k per year once everything is in operation and a carbon saving of 1,033 tCO<sub>2</sub>e (a 6.6% reduction in total council emissions).
- 6.6 Delivering a project of this scale by the 30 September 2021 will be a huge challenge, which has been exacerbated by the delays in receiving formal notification of the success of our bid. As a result of these delays and the tight delivery timescales we had to commence work "at risk" on the preparation, detailed planning and procurement of the delivery of this scheme. This work included appointment of an external project manager and consultants to prepare the detailed design documents needed to go out to tender. Although a small amount of work had been carried out "at risk" the GMCA had received positive indications that we would receive the full amount which provided some reassurance.
- 6.7 We now have formal notification of our award and are therefore in a position to proceed with confidence and work in partnership with the GMCA.
- 6.8 We will be looking to tender works at 14 of buildings with the support of the GMCA and the procurement of the proposed measures at Bury Town Hall and Bury Library and Museum will be considered separately by our in-house Architectural Services.
- 6.9 Further assessment work is needed on some of the buildings to ensure there are no remedial or improvement works that would be needed that could impact on the deliverability of any of the schemes. Works at some buildings may have to be reconsidered if any issues arise.
- 6.10 The Budget report to cabinet on 23 February 2021 included the following delegation to ensure that the required contracts to carry out the works can be appointed in a timely manner:

"Approval to award the required contracts will also be needed to progress the schemes in time to meet the tight deadlines. As such delegated Authority is requested to the Executive Director of Operations in Consultation with the Cabinet Member for Environment and Climate Change and the Cabinet Member for Corporate Affairs and HR".

As pointed out it will be very challenging to deliver this whole programme by the 30 September 2021.

## 7.0 Carbon Reduction for the Borough as whole.



Explain

**Figure 2 Percentages of Bury's Emissions by Sector.**

- 7.1 Figure 2 shows the latest data re carbon emissions from our borough as a whole and shows that transport is our largest source, followed by the domestic sector and then Industry and commerce.
- 7.2 Transport is also a problem for our borough in relation to air quality targets for nitrogen dioxide. This emphasises the importance of the Greater Manchester Clean Air Plan and the associated Clean Air Zone, which aims to tackle this issue but will also bring significant benefits in relation to carbon emissions. All 10 Greater Manchester local authorities have been required by Government to take action to meet nitrogen dioxide targets in the shortest time possible. We have also received a Ministerial Direction to implement a charging Clean Air Zone for commercial vehicles. On 23 February 2021 the Cabinet received an update on the Clean Air Consultation and approved various measure to allow preparation for the Clean Air Zone to continue and for the governance of the Clean Air Plan.
- 7.3 The necessary reductions to meet our carbon neutral target will be extremely challenging, requiring unprecedented transformational change and financial investment. Although the Council has a leading role in delivering carbon neutrality, we cannot deliver the target alone, we will need to work closely with residents, businesses and community groups to enable and encourage them to help us to meet our target.
- 7.4 This work has started with the success of the Greater Manchester Green Homes Grant bid in 2021. This bid attracted £4.7million to Greater Manchester to deliver energy upgrades and heat pumps to the homes of those on low

income This is being followed up with a further £5 -6 million GM bid to Phase 1b of this fund so that we can expand this scheme further.

- 7.5 Our draft Housing Strategy has a section on carbon neutral homes which includes the development of a new "Bury Eco Homes Standard", exemplar carbon neutral projects in Six Town and other Council-controlled housing and the preparation of "bid ready" projects. In addition to providing local examples of good practice, these actions will help to stimulate the local green economy bringing new jobs and training opportunities and we will be working to promote these local opportunities and develop skills amongst Bury businesses. We are also working with the Energy Systems Catapult to provide an updated, detailed Local Area Energy Plan to show what the transition to carbon neutrality would look like in our communities.
- 7.6 We will continue to expand our electric vehicle charging infrastructure, with 2 new rapid chargers in Bury Town Centre to be delivered in Spring 2021 and proposals for more community charge points and an on-street charging pilot later this year.
- 7.7 In Spring 2021, we will consult on our Draft Climate Action Strategy which will lay out a proposed action plan to take us towards our 2038 target. This will be used as starting point to promote discussions with our communities and to gather their ideas and support to build and deliver our climate action objectives together.

## **8.0 Conclusion**

- 8.1 The award of £8.5million towards the decarbonisation of 16 of our corporate buildings is very welcome. The wider goal of a carbon neutral borough by 2038 is an immense challenge, but brings huge opportunity to improve our health, economy, and our environment. By working with our communities and bringing them with us we will hopefully achieve the level of change we need to protect our future. A report on our Draft Climate Action Strategy will be brought to Cabinet for consideration in the new municipal year.

## **Other options considered**

The option described above in relation to the Greater Manchester Public Sector Decarbonisation Scheme provides 100% funding for new heating systems and low carbon measures. No other funding opportunities were identified.

## **Community impact/links with Community Strategy**

The proposals are designed to protect the climate and safeguard the health and wellbeing of our communities in line with Section 4.2 re "Place" in the Bury 2030 Strategy.

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## **Equality Impact and considerations:**

This proposal does not adversely affect equality.

*Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

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## **Assessment of Risk:**

The following risks apply to the decision:

<b>Risk / opportunity</b>	<b>Mitigation</b>
Further assessment work is needed on some of the buildings to ensure there are no remedial or improvement works that would be needed that could impact on the deliverability of any of the schemes. Works at some buildings may have to be reconsidered if any issues arise.	Meetings planned with service managers to understand any unforeseen issues, so they can be addressed early.
A risk register has been compiled for the project and is included as Appendix 2.	See Appendix 2.



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**Consultation:**

Managers of the buildings involved in the project have been kept informed throughout the process. They will be involved in project meetings moving forward to ensure the impacts on the services can be considered and disruption can be managed and minimised.

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**Legal Implications:**

The timescale for procuring the contractors to carry out the work and complete it by 30th September 2021 is extremely tight. The Specification is already being prepared externally which will speed up the process and options for accelerating the procurement itself will be explored including the use of frameworks.

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**Financial Implications:**

The cost of the programme is £8.5m, for which grant funding is being made available to the Council to cover the cost. To secure the funding, the programme has to be delivered within specified timescales. In order to place the Council in the best possible position, some works have commenced 'at risk' but the funding confirmation means that this will be met from the grant. Arrangements are in place to ensure the procurement processes can be carried out and this will mitigate the risk of non-delivery. The programme will be subject to regular monitoring and will be reported to Cabinet as part of the current monitoring arrangements.

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**Report Author and Contact Details:**

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**Background papers:**

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning
kWp	Kilowatt peak – a measurement of the capacity of solar panels to generate electricity
kWh	A measure of electricity used or generated

## Appendix 1

Building	Planned Measures	Total Funding Bid	Projected annual energy savings	Annual Carbon Savings (tCO2e)
Bury Business Centre	Cavity Wall Insulation	£576,377	£8,901	111
	Loft Roof Insulation			
	Solar PV			
	Air Source Heat Pump			
	Upgrade low voltage supply			
Bury Cemetery Chapel	Ground Source Heat Pump	£151,240	£4,226	2
	Underfloor wet heating			
	Building Energy Management Controls			
	Solar PV			
	Upgrade low voltage supply			
Bury Cemetery Facilities	Roof insulation	£504,596	£24,856	42
	Double glazing			
	Roller Shutter Door			
	Air Source Heat Pump			
	Solar PV			
	Upgrade low voltage supply			
Bury Fish and Meat Market	New heat inverter pump to cooling system	£132,596	£15,549	8
	Convert overdoor heater to heat pump fed			
	Solar PV			
	Draught Lobby			
	Upgrade low voltage supply			
Manchester Road Park Lodge	Double Glazing	£74,494	£505	3
	Air Source Heat Pump			
	Solar PV			
	Electrical enabling works			

Building	Planned Measures	Total Funding Bid	Projected annual energy savings	Annual Carbon Savings (tCO2e)
New Kershaw Centre	Solar PV	£256,743	£2,249	26
	Air Source Heat Pump			
	Upgrade low voltage supply			
Radcliffe Market Chambers	Cavity Wall Insulation	£918,843	£23,276	27
	Loft Insulation			
	Air Source Heat Pump			
	Solar PV			
	Double glazing			
	LED Lighting			
	Mechanical ventilation with heat recovery			
	Low voltage distribution board			
Ramsbottom Civic	Air Source Heat Pump	£165,262	£2,546	7
	Solar PV			
	Electrical enabling works			
Ramsbottom Library	Solar PV	£196,461	£1,183	18
	Air Source Heat Pump			
	Upgrade low voltage supply			
Ramsbottom Pool and Fitness Centre	Cavity Wall Insulation	£513,776	£7,665	101
	Solar PV			
	Air Handling Unit with High Regen Wet Side			
	Air Handling Unit with High Regen Dry Side			
	Air Source Heat Pump			
	Building Energy Management System			
	New low voltage distribution board			
	New electrical meter			

Building	Planned Measures	Total Funding Bid	Projected annual energy savings	Annual Carbon Savings (tCO2e)
Bury Market	Install 2nd Double Bi -Parting Door to Draught	£718,548	£17,294	56
	Double glazing refurb incl asbestos removal			
	Air handling unit and ventilation renovation - heat recovery and heat pump pre heat			
	Solar PV			
	Upgrade low voltage supply			
Bury Adult Learning Centre	Air Source Heat Pump	£197,143	£4,787	8
	Solar PV			
	Upgrade low voltage supply			
Bury Town Hall	Double Glazing	£1,336,347	£11,282	53
Bury Library and Museum	Double Glazing	£643,740	£3,043	15
The Met	Solar PV	£31,143	£3,818	2
	Electrical surge protection			
Castle Leisure Centre	Cavity Wall Insulation	£1,848,213	£133,980	553
	Solar Thermal			
	Solar PV			
	Air Handling Units with regen for dry and wet side			
	Air Source Heat Pump			
	Building Energy Management System			
	New LV distribution board			
	New electrical meter			
General supporting works where needed	Low voltage supplies /upgrades, grid connections and metering.	£244,650		
<b>Total</b>		<b>8,510,373</b>	<b>£265,160</b>	<b>1,033</b>

## Appendix 2 – Risk Register

ID	Description	Likelihood	Impact	Response	Strategy	Countermeasure(s) (if any)	Ownership	Date Logged	Date last reviewed
BU1	G99 Approval	Very Low	Marginal	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Start discussions with ENW as soon as possible prior to project starting. Ensuring applications are provided at appropriate times and provide as much information as possible.	Project Manager	10/11/2020	02/03/2021
BU2	Costs for work exceed estimates	Low	Marginal	Contingency	These actions are planned and organised to come into force as and when the risk occurs	Costs allowed include contingencies so should be accurate - If required we have the Council's Energy Loan Fund that can be considered.	Officer Delivery Group	10/11/2020	02/03/2021
BU3	Disruption to building occupants	Significant	Marginal	Reduction	Treat the risk - take action to control it in some way where the actions either reduce the likelihood or limit the impact to acceptable levels	Liaise with Building managers and contractors to ensure impact of works is minimised.	Officer Delivery Group	10/11/2020	02/03/2021
BU4	Planning applications refused	Low	Critical	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Enter into early discussions with planners to help with design and layout of measures. Ensure careful positioning of heat pumps and solar panels so as to meet all regulations and not to impact neighbours.	Officer Delivery Group	10/11/2020	02/03/2021

[illegible]

ID	Description	Likelihood	Impact	Response	Strategy	Countermeasure(s) (if any)	Ownership	Date Logged	Date last reviewed
	Conservation Areas				removing the risk. Either stop it from occurring or prevent it having any impact.	measures that are in keeping with the building design.			
BU6	Measures don't deliver savings	Low	Marginal	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Design of measures to ensure optimum performance -and post installation monitoring to ensure equipment is working effectively.	Officer Delivery Group	10/11/2020	02/03/2021
BU7	Unforeseen site issues	Significant	Critical	Reduction	Treat the risk - take action to control it in some way where the actions either reduce the likelihood or limit the impact to acceptable levels	Carry out all necessary checks and inspections before work is carried out. Allow a contingency in the budget.	Project Manager	10/11/2020	02/03/2021
BU8	Contractors cease trading	Low	Marginal	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Thorough due diligence checks as part of the procurement process.	Project Manager	10/11/2020	02/03/2021

ID	Description	Likelihood	Impact	Response	Strategy	Countermeasure(s) (if any)	Ownership	Date Logged	Date last reviewed
	Occupiers don't operate the equipment correctly				doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact	equipment on how to optimise performance.	Group		
BU10	Accident to contractors or third parties during installation	Low	Critical	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Ensure through the procurement process that contractors have all relevant health and safety policies and check these are complied with on site.	Project Manager	10/11/2020	02/03/2021
BU11	COVID 19	Significant	Marginal	Contingency	These actions are planned and organised to come into force as and when the risk occurs	work shouldn't be impacted by lockdowns, but delays could occur if contractor's employees have to self-isolate. Allow for potential delays in the project schedule.	Project Manager	17/11/2020	02/03/2021
BU12	Asbestos issues	Low	Marginal	Contingency	These actions are planned and organised to come into force as and when the risk occurs	Asbestos reports for each building must be considered at design and delivery stage. Allow for potential delays in schedule if unforeseen asbestos is found and contingency fund allowed for in estimates for costs.	Project Manager	17/11/2020	02/03/2021
BU13	Electrical system issues	Significant	Critical	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Ensure that all electrical installations have appropriate and current inspection records and certification.	Officer Delivery Group	17/11/2020	02/03/2021



BU14	Delivery capacity isn't available in the supplier market	Significant	Critical	Reduction	Treat the risk - take action to control it in some way where the actions either reduce the likelihood or limit the impact to acceptable levels	Timely liaison with local procurement framework operators to gauge capacity of local contractors to deliver projects across 10 GM districts. Adjust work plans to ensure that capacity will be available.	Officer Delivery Group	17/11/2020	02/03/2021
BU15	Insufficient Procurement capacity within GMCA and council to deliver within required timescales	Significant	Critical	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Ensure sufficient specific resource is allocated to the project and that procurement demands at GMCA and local level are understood.	Project Manager	19/11/2020	02/03/2021
BU16	Contractor cannot meet tendering timescales	Medium	Critical	Reduction	Treat the risk - take action to control it in some way where the actions either reduce the likelihood or limit the impact to acceptable levels	Agree basis of tender information and requirements. Review with Contractors through GMCA to ensure Contractors understand requirements.	Project Manager / GMCA	02/03/2021	
BU17	Design information deliverables - scope gaps or not fully defined for tender	Low	Critical	Prevention	Terminate the risk - by doing things differently and thus removing the risk. Either stop it from occurring or prevent it having any impact.	Agree tender requirements and pricing documents are sufficiently detailed. Consider if two-stage approach to appoint Contractor early in process is workable within programme constraints.	Project Manager / Design Consultant	02/03/2021	

ID	Description	Likelihood	Impact	Response	Strategy	Countermeasure(s) (if any)	Ownership	Date Logged	Date last reviewed
BU18	Tender costs for respective buildings exceed funding amount	Low	Critical	Contingency	These actions are planned and organised to come into force as and when the risk occurs	Cost Consultant to review overall allowances per site. Review with GMCA if terms of funding allow re-allocation of funds across buildings from overall allocation of funds.	Project Manager / Officer Delivery Group	02/03/2021	

BU19	Impact of Brexit increases material costs and tender prices or restricts availability	Low	Medium	Reduction	Treat the risk - take action to control it in some way where the actions either reduce the likelihood or limit the impact to acceptable levels	Competitive tendering should assist with offsetting any additional costs. Early identification of key plant / equipment to be procured to establish any likely cost issue or supply blockages.	Project Manager / Design Consultant	02/03/2021	
BU20	GMCA Contractor Frameworks cannot meet programme requirements	Significant	Significant	Reduction	Treat the risk - take action to control it in some way where the actions either reduce the likelihood or limit the impact to acceptable levels	Review GMCA favoured frameworks to understand key requirements / contract type and compare to required programme / dates.	Project Manager	02/03/2021	