

**OFFICER DELEGATION SCHEME
RECORD OF DECISION**



Date: 9 July 2021	Ref No: 516
Responsible Officer: Chris Horth (Unit Manager – Environment Team)	
Title/Subject matter: Approval for the payment of costs to upgrade electricity supplies to allow for new heat pumps and solar panels at Castle Leisure Centre, Bury Business Centre and Bury Cemetery Facilities Depot	
Budget/Strategy/Policy/Compliance:	
(i) Is the decision within an Approved Budget?	Yes
(ii) Is the decision in conflict with the council’s policies, strategies or relevant service plans?	No
(iii) Does the decision amend existing or raise new policy issues?	No
(iv) Is the decision a non-key decision (below £100,000, outside the MO definitions)	Yes
Is publication still required? (see guidance)	Yes

Summary

In order to deliver new heat pumps and solar panels at some of the buildings in our Public Sector Decarbonisation Scheme we are seeking approval for expenditure to cover Electricity North West Limited (ENWL) costs for the necessary upgrading of the local grid electricity supplies.

Background

Bury Council has been awarded £8.5 million of Government Funding to decarbonise our corporate buildings. A significant part of the work required the installation of air source heat pumps to replace gas boilers and the installation of solar PV panels on rooftops to generate electricity on site.

ENWL manage the electrical grid in Greater Manchester, and it is a requirement that we seek their permission to install the new heat pumps and solar panel systems. This allows ENWL to check on the suitability of the installation and that the local electricity supply network can cope with new generation and demand.

Where an upgrade to the local supply is necessary, ENWL pass on the cost of this to the customer and provide a quote for the necessary works. We have received such quotes for 3 of the buildings in our Public Sector Decarbonisation Scheme.

The relevant buildings and their associated costs are shown below:

Building	Cost ex VAT	VAT	Total	ENWL Work required
Castle Leisure Centre	£269,626.14	£53,925.23	£323,551.37	New substation
Bury Business Centre	£52,298.50	£10,459.70	£62,758.20	New Low voltage supply – extensive excavations required
Bury Cemetery Facilities Depot	£10,100.66	£2,020.13	£12,120.79	New Low voltage supply
Total	£332,025.30	£66,405.06	£398,430.36	

Castle Leisure Centre has significantly higher costs, because the proposed heat pump must deliver the large heat provision required by the facilities at the centre and this requires a new substation, which carries a significant financial cost. One of the criteria for bids to the Public Sector Decarbonisation Fund was that the total costs for all the decarbonisation works could not exceed £500

per tonne of carbon saved. The proposed works at Castle Leisure Centre had a very low cost per tonne of carbon saved and this has allowed us to include a number of other buildings in the project that had costs greater than the £500 per tonne requirement. The works at Castle Leisure Centre have therefore allowed us to provide many more decarbonisation measures in a greater number of our buildings. It is therefore very important that the proposed works at Castle Leisure are delivered.

An estimated value of £190,000 for grid connections was allowed for in the original grant bid. However, the total costs so far are £398,430.36 (including VAT). These costs are therefore much more than the grid connection figure allowed for. Some elements of our original proposed PSDS project have now been taken out as a result of site constraints or planning permission issues. This means that the increased cost of some of the grid connections may be able to be covered by the total grant awarded to Bury Council. In addition, we are working with the GMCA to see if there is any underspend on grid connections relating to other projects that could be used to support this overspend.

The original amount of funding that we bid for under PSDS was generated from feasibility reports using best available market knowledge to estimate the likely cost of the works required. We won't know how accurate these estimated costs are until we have fully completed our procurement exercise. This may show that the cost is different from the grant award we have. If there is an underspend, we will have spare funding to maybe add some further work. However, if we have an overspend, we may have to cut some elements of the project for the scheme to fit our budget. It is felt that the risk of having to reduce the works is something that we have to accept if we are to progress this ambitious scheme. Although it is a risk, it is one that we can manage, and we will ensure that we update Portfolio holders on this situation as we progress.

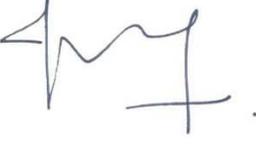
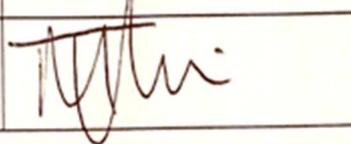
There is a potential further cost from ENWL in relation to the grid connections for Ramsbottom Pool. This could be around £70,000 for a new sub-station, but we are currently awaiting clarification on this from ENWL.

An order needs to be raised to ENWL as soon as possible so they can commence the necessary works to ensure that the upgrades are completed in time for the decarbonisation works to ensure the success of the project.

Approval is requested to proceed and raise an order to ENWL for a total of £398,430.36 to allow the grid connection work to commence at Castle Leisure Centre, Bury Business Centre, and Bury Cemetery Facilities.

Following the expenditure, a claim will be submitted to the GMCA to recoup the associated costs.

Decision made by:	Signature:	Date:
Executive Director of Operations		09/07/2021

Assistant Director – Operations (Strategy)		09/07/2021
Section 151 Officer		13/07/2021
Monitoring Officer		13/07/2021
Members Consulted (if applicable) [see note 1 below]		
Cabinet Member – Cllr Alan Quinn		10/07/2021
Cabinet Member – Cllr Tahir Rafiq		10/07/2021
Lead Member		
Opposition Spokesperson		
<p>Notes</p> <ol style="list-style-type: none"> Where, in accordance with the requirements of the Officer Delegation Scheme, a Chief Officer consults with the appropriate Cabinet Member they must sign the form so as to confirm that they have been consulted and that they agree with the proposed action. The signature of the Opposition Spokesperson should be obtained if required, to confirm that he/she has been consulted. Please refer to the MO Guidance. This form must not be used for urgent decisions. Where there is any doubt, Corporate Directors should err on the side of caution and seek advice from the Council’s Monitoring Officer. 		