

Decision Report – Executive Decision



Forward Plan Reference: FP/23/08/02

Decision Date – 25 September 2023

Key Decision – Yes

Contract Award: Decarbonised Project at the Alcombe Childrens Centre, Minehead

Executive Member(s): Cllr Ros Wyke – Lead Member for Economic Development, Planning and Assets and Cllr Dixie Darch – Lead Member for Environment and Climate Change

Local Member(s) and Division: Cllr Mandy Chilcott & Cllr Andy Hadley (Minehead)

Lead Officer: Oliver Woodhams, Service Director Strategic Asset Management

Author: Olivia Clydesdale – Project Manager

Contact Details: Olivia.clydesdale@somerset.gov.uk

1. Summary / Background

- a. The Alcombe Childrens Centre is owned by the Council and has multiple building operators, including a privately owned nursery Cheeky Cherubs, The Minehead Shed, Public Health Nurses, and Homestart. The buildings fossil fuel heating system (gas) is end of life and requires replacement. Due to this requirement the building is applicable for the Public Sector Decarbonisation Scheme funding by Salix and, along with Wellington Sports Centre, was granted c£1.5million on 23rd January 2023. Within the PSDS application, a whole building approach was taken which has resulted in additional building elements being upgraded/replaced (LED Lighting) and installed (Solar Panels).
- b. Development of the decarbonisation proposals have reached the stage where designs are now fully developed, a building control application has been submitted, anticipated approval by mid-October, the works tender submissions have been sought and evaluated and the Council is now in a position to recommend the preferred contractor to carry out the decarbonisation works in line with the programme below.
- c. The works are anticipated to take place from January 2024 to April 2024 at the Alcombe Childrens Centre site, during this period the building will remain an operational live environment. Any required works which will affect the buildings

operations/utilities will be agreed prior with the building users or undertaken out of hours.

d. The works being undertaken at site are:

- Replacement of fossil fuel heating system with Electric Air Source Heat Pumps
- LED lighting installation and upgrade (including emergency lighting compliance upgrade)
- Installation of solar panels onto the building roof

2. Recommendations

The Executive Lead Member for Economic Development, Planning and Assets and the Executive Lead Member for Environment and Climate Change:

- a. Approve the recommendation to appoint the contractor on the advertised conditions of contract following tender review and evaluation for the decarbonisation of the Alcombe Childrens Centre outlined in Confidential Appendix A.
- b. Approve a total capital project spend of £468,257 for the decarbonisation works.
- c. Agrees the case for applying the exempt information provision as set out in the Local Government Act 1972, Schedule 12A and therefore to treat the attached confidential report (see Appendix A & B) and its appendices in confidence, as they contain information relating to the financial or business affairs of the Council, and the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.

3. Reasons for recommendations

- a. The decarbonisation works to the building are ready to proceed in line with the preferred contractor's mobilisation and works programme now that the tender evaluations are complete.
- b. The investment will create a building which has a proposed carbon saving of 12.43 tonnes per annum and has been decarbonised (fossil fuel removed). The project enables Somerset Council to deliver a sustainable and environmentally friendly building which is used by the public daily.

- c. The decarbonisation works will also reduce reliance on fossil fuels and incorporate renewable energy to use within the building. The Solar Panels will assist by reducing the reliance of purchasing electricity from the grid. Due to the current climate with gas and electricity price differentials. There may not be a significant reduction in running costs due to the volatility of the market with electricity prices – however these prices will fluctuate and are envisaged in the future to become significantly lower.
- d. Due to the PSDS granted funding, there is a deadline that the funding is spent and claimed by March 2024. There is a strong requirement to progress the decision process, allowing the programme and spend requirement to be met by the date above.
- e. Appendices A & B contain exempt information. “Exempt information” is defined by Section 100 of the Local Government Act 1972 and by Schedule 12A to that Act. The information in Appendix A is exempt information because it is considered to fall within paragraph 3 of Schedule 12A: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”. The public interest test has been applied and, in this instance, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. Other options considered

4.1 The option of not proceeding with the scheme has been considered in the light of a challenging financial context for local government and Somerset Council. With the PSDS grant support available, this scheme represents the best value solution to replace an end-of-life heating system at the Alcombe Centre. Not proceeding with this scheme carries a high risk of building failure at a site which provides essential and preventative services in an area of high need – the longer-term revenue costs of not doing this scheme to the Council are likely to outweigh the impact of relatively modest capital investment on the budget position.

4.2 A decarbonisation study was carried out prior to the PSDS application, and within this study the whole building was reviewed for decarbonisation improvements and due to the age and condition of the building no other improvements were considered feasible improvements.

5. Links to Council Plan and Medium-Term Financial Plan

5.1 In relation to the Somerset Council Plan 2023-2027, this project touches on all 4 aspects

of the Somerset Council Plan, as the Alcombe Childrens Centre and associated complementary services will assist in improving people's lives, connect the community,

enable partnership working and provide information, advice and guidance to the customers of the services delivered from the site. The project also has a high contribution to the following priority:

- A Greener, More Sustainable Somerset – several features of the decarbonisation design of the building ensure that the asset is far more energy efficient wherever the building constraint allow, moving us towards the transition to zero carbon.

5.2 The Somerset Climate Emergency Strategy has set out a high-level strategy for tackling

the Climate Emergency across Somerset:

- To decarbonise the Local Authority and wider Public Sector estates and reduce our carbon footprint;
- To work towards making Somerset a Carbon Neutral County by 2030;

5.3 The project will support the following objectives of Somerset Council's Asset Management Strategy:

- Strategic Objective 1: The Council's estate is financially sustainable, efficient and effective.
- Strategic Objective 2: Assets that are fit for purpose, safe and compliant
- Strategic Objective 3: Assets that address the Climate Emergency
- Strategic Objective 5: The Council's estate supports prosperity and economic growth

6. Financial and Risk Implications

6.1 The capital budget has been secured to fund the current cost plan - a breakdown of costs

is set out in confidential Appendix A.

6.2 Bids that are not compliant or outside the affordability envelope have not been evaluated. The ongoing impacts and risks of inflation increases because of global supply chain impacts following Brexit, Covid and the war in Ukraine will be closely monitored and mitigated where possible by investigating alternative suppliers

and procuring materials early, if possible. The impacts and risks of these global factors on the project will be managed by the contractor, who will ensure that decarbonisation works are carried out in line with all relevant construction risk assessments.

Any risk of delay to handover of the facility due to unforeseen factors during refurbishment will be managed by the Council, including the use of project contingency – this risk is also minimised by the point the centre will remain operational throughout the project and there will be no incurred costs by the operators due to project delays.

Likelihood	3	Impact	2	Risk Score	6
-------------------	----------	---------------	----------	-------------------	----------

6.3 The awarded PSDS grant funding poses a risk regarding not progressing with the project or progressing with the project but not meeting conditions of the grant. Somerset Council have claimed a partial sum of the awarded funding due to the pressure of claiming spend by March 2024. If this decision is not approved and the project does not proceed, this sum is required to be returned to Salix. The current project programme indicates that the PSDS funding allocation will be spent ahead of any funding deadlines, however, any delays in commencing the project will have an impact on project progress and the amount of PSDS funding that can be claimed. If funding deadlines are breached, the expectation is that unspent PSDS grant funding will need to be returned to Salix and that the Council will need to bridge funding gaps from internal budgets in order to complete the project. Somerset Council have mitigated this risk by drawing some the grant funds already and adding additional terms within the contract (covering breaches by the Council of Third-Party Agreements (including the grant funding agreement) caused by the Contractor’s actions).

Likelihood	3	Impact	3	Risk Score	9
-------------------	----------	---------------	----------	-------------------	----------

6.4 A complete risk register for associated risks with the project is live and monitored. The risk register can be made available upon request.

7. Legal Implications

7.1 The Council has procured the project in line with the Council’s Contract Procedure Rules.

The Council’s Procurement team have advised on the procurement route.

- 7.2** The contractor will be appointed on the terms of a JCT Intermediate form of contract with contractor design 2016 which is an industry standard construction contract. A schedule of amendments was agreed under the JCT contract which has been reviewed and approved by legal.
- 7.3** Amendments have been added to the contract in regard to breaches of the Grant funding Agreement by Council as a result of the Contractor's actions.
- 7.4** If the contractor fails to complete the works by the contractual completion date, the contractor is required to pay liquidated damages to the Council for each week that completion is delayed. Liquidated damages are a genuine pre-estimate of the loss that would be suffered by the Council.
- 7.5** The inclusion of bonds and parent company guarantees was not felt to be necessary given the relative low value and low risk profile of the works and that liquidated damages clauses are built into the contract.

8. HR Implications

There are no TUPE or HR consultations required in relation to this decision. The building will remain open and operational limiting implications on building users and customers of the Alcombe Children's Centre. The building operators have been kept informed and updated throughout the project lifecycle through the project service leads and will continue to do so.

9. Other Implications:

9.1 Equalities Implications

The design of the decarbonisation works at the Alcombe Childrens Centre will have minimal change to the current design of the space. End of life components are being removed and replaced/upgraded, with the addition of Solar panels onto the roof of the building (which is not accessible to any of the building users or operators). The lighting accessibility (LED upgrade) has been and will continue to be designed and installed to meet current regulations and best practice.

Please see full Equalities Impact Assessment at the end of this Decision paper.

9.2 Community Safety Implications

There are no community safety implications directly associated with making this decision.

9.3 Climate Change and Sustainability Implications

A number of decarbonisation design features supporting the Council's Climate Emergency strategy have been incorporated into the design of the decarbonised centre to support its long-term thermal efficiency and sustainability. These measures are listed within the Section 1.0 Summary/Background.

These measures will have a positive impact on reducing the building's carbon emissions for the longer term, will minimise the impact on the environment and Climate Change.

9.4 Health and Safety Implications

The design of the decarbonised centre has taken into account various health and safety factors and is compliant with Health and Safety legislation. The design of the facility will have no effect on the risk of ill-health or injury to employees, volunteers, service users, visitors, members of the public and suppliers.

All proposed designs have been reviewed under the Construction (Design & Management) Regulations (CDM 2015), as the main set of regulations for managing the health, safety and welfare of construction projects. A principal designer for the project has been appointed by the Council to ensure all H&S regulations are met.

The project is also in the process of applying for planning and building control approval and will ensure any concerns raised for either, regarding H&S will be met.

Upgrades are being made to the emergency lighting system which will ensure the building is compliant, lessening the risk to all users of the building in the case of an emergency.

Health and safety and facilities measures for all service occupants and visitors will be further reviewed and will be briefed to the building occupiers who will be working with the building throughout the decarbonisation period of the substantive centre. As this will be a live working

environment there has been serious consideration to all aspects of the project. The live working environment will be managed via the contractors, who will have provided

Risk assessments and method statement (RAMS). These will identify how the contractor will manage the live environment and manage any interaction with the public, if and when, that occurs. These will be reviewed internally by the Health and Safety team (safeworking@somerset.gov.uk), as well as the projects appointed principal designer.

Contractor verification and vendor set up forms will be issued to the contractor also prior to the contract signing – this will ensure the contractor has the correct H&S requirements and insurances for the project.

9.5 Health and Wellbeing Implications

Decarbonising a centre used for child services and other services, which involves reducing its carbon emissions and transitioning to more sustainable practices, is deemed, once the project is concluded, to have a positive impact on health and wellbeing.

Positive implications:

1. Environmental benefits: Decarbonisation and refurbishment efforts aim to reduce the facility's carbon footprint and overall environmental impact. This can lead to cleaner air, reduced pollution, and a healthier environment for the surrounding community, contributing to improved overall health.
2. Long-term benefits: Once the centre is refurbished to be more energy-efficient and sustainable, it will provide a healthier and more enjoyable space for physical activities in the long run, benefiting the community members' health and wellbeing.
3. Community Benefits: The centre will continue to be used by the community and will provide improved services and a fit for purpose building.

As the centre will remain open throughout the project there is no negative health and wellbeing implications associated with reduced services or centre closures.

10. Social Value

Social value for the designed works, by all contractors, have been evaluated in line with Somerset Council procurement policies and marked via Social Value questions within the tender process.

By investing in the decarbonisation of the Alcombe Childrens Centre, this Decision and project supports the following Social Value priority areas:

- Maintaining independence, and reducing inequalities of local Wellington residents and employees
- Helping maintain the community capacity and playing an active role in the local community, especially in those areas and communities with the greatest need, through the library, registration and public health services being offered from the library building.
- Improving thermal efficiency of Council's estate and removing fossil fuels from the building improving the building sustainability and environment.
- Appointment of a locally based contractor to carry out the required works
- Contractor will be accountable for their social value calculator inputs from their tender
- Improve the health and safety of the building users.

11. Scrutiny comments / recommendations:

The proposed decision has not been considered by a Scrutiny Committee.

12. Background

Alcombe Childrens Centre is located on Stephenson Road, Minehead, and is currently used as a children's centre. Due to it requiring a replacement heating system and the use of the building it is considered a priority asset for Somerset Council for maintenance/upgrading works. A decarbonisation strategy was produced in October 2022 by consultants Hulley and Kirkwood which projected a 98.4% energy saving, from existing energy consumption data of gas and electricity use within the building, for a whole building approach (in this case includes LED's replacement/upgrades; PV installation and Electric Heat pumps for heating and hot water).

The carbon savings for Alcombe Childrens Centre are expected to total 11.70 tonnes of direct carbon savings per annum and indirect carbon savings total 0.73 CO₂e per annum.

Somerset Council declared a climate emergency in 2020 and is working towards becoming Carbon Neutral by 2030. Decarbonisation of Council-owned assets is a key theme throughout the countywide Climate Emergency Strategy.

A single year project application was made to Salix's PSDS for two Council owned assets, the Alcombe Children's Centre and Wellington Sports Centre. The joint application was awarded a total grant value of £1,541,837.00 which will be spent proportionately across the two sites. Each project has undergone separate procurement exercises and a key decision paper has been prepared separately to cover the funding portion associated with the Wellington Sports Centre Project.

Salix PSDS grants are awarded on a match-funded basis, and therefore the conditions of the grant funding require the Council to provide match funding. This value has been approved by the Council, along with remaining project costs.

Background Papers

- a. The Alcombe Childrens Centre Heat Decarbonisation Strategy

Appendices

- **Appendix A: Tender Evaluation Report ACC**
- **Confidential Appendix B: Tender Pricing ACC (TBC)**
- **Confidential Appendix C: Budget Summary ACC**
- **Grant funding Agreement - Salix**

Report Sign-Off (if appropriate)




	Officer Name	Date Completed
Legal & Governance Implications	David Clark	30.08.2023
Communications	Chris Palmer	01.09.2023
Finance & Procurement	Nicola Hix	13.09.2023
Workforce	Chris Squire	29.08.2023
Asset Management	Oliver Woodhams	07.09.2023
Executive Director / Senior Manager	Jason Vaughan	06.09.2023
Strategy & Performance	Alyn Jones	11.08.2023

Executive Lead Member	Cllr Ros Wyke – Lead Member for Economic Development, Planning and Assets and Cllr Dixie Darch – Lead Member for Environment and Climate Change	September 2023
Consulted:	Councillor Name	Date Completed
Local Division Members	Cllr. Mandy Chilcott, Cllr Andy Hadley & Cllr. Marcus Kravis	12.09.2023
Opposition Spokesperson	Cllr. Mark Healey for Prosperity, Assets and Development & Cllr Connor Payne for Environment and Climate Change	12.09.2023
Scrutiny Chair	Cllr. Martin Dimery (Climate and Place) & Cllr Bob Filmer (Corporate & Resources)	12.09.2023

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer or

www.somerset.gov.uk/impactassessment







Organisation prepared for (mark as appropriate)	 Somerset Council	 NHS Somerset	 NHS Somerset NHS Foundation Trust
Version	1.0	Date Completed	
Description of what is being impact assessed			
Decarbonisation of the Alcombe Childrens Centre and its impact on employees and customers/users of the building and services.			
Evidence			
What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics , Somerset Intelligence Partnership , Somerset's Joint Strategic Needs Analysis (JSNA) , Staff and/or area profiles ,, should be detailed here			
Working knowledge of the development of the design with the project stakeholders, consideration of different needs/requirements of all of the building users, feedback from service leads on the project and any potential impact.			

Who have you consulted with to assess possible impact on protected groups and what have they told you? If you have not consulted other people, please explain why?

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> Clear conduct on what is expected behaviours and professionalism from appointed contractors (working within the confines of the Equality Act) and work is carried out in accordance with the Councils policies and expectations. For example, ensuring no sexual harassment. The Council will ensure, in agreeance with the Contractor, that there is a clear route of resolution if this were to happen. There will also be inclusion within the contract regarding the above. 	☒	☐	☐

<p>Disability</p>	<ul style="list-style-type: none"> • Replacement of standard lighting with LED lighting – known scenarios where the change of severity in bulb brightness within the new lighting may have an impact. To mitigate any possible impact, the LED lighting design includes day light sensors, dimmers are remaining in the nursery and sensory room, and the emergency lighting is also being upgraded and made compliant throughout the building to assist in the case of an emergency. The type of bulb to be installed can also be reviewed and amended if not suitable. • Maintaining accessibility within the building, as live working environment, in regard to any works taking place that might be carried out during open hours i.e. scaffolding, ladders, equipment etc. RAMS will be provided by the contractor which will detail any accessibility. 			
<p>Gender reassignment</p>	<ul style="list-style-type: none"> • Clear conduct on what is expected behaviours and professionalism from appointed contractors (working within the confines of the Equality Act) and work is carried out in accordance with the Councils policies and expectations. For example, ensuring no sexual harassment. The Council will ensure, in agreeance with the Contractor, that there is a clear route of resolution if this were to happen. There will also be inclusion within the contract regarding the above. 			

Marriage and civil partnership	<ul style="list-style-type: none"> • There are no known negative impacts on this protected characteristic 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<ul style="list-style-type: none"> • There are no known negative impacts on this protected characteristic 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Race and ethnicity	<ul style="list-style-type: none"> • Clear conduct on what is expected behaviours and professionalism from appointed contractors (working within the confines of the Equality Act) and work is carried out in accordance with the Councils policies and expectations. For example, ensuring no sexual harassment. The Council will ensure, in agreeance with the Contractor, that there is a clear route of resolution if this were to happen. There will also be inclusion within the contract regarding the above. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<ul style="list-style-type: none"> • Clear conduct on what is expected behaviours and professionalism from appointed contractors (working within the confines of the Equality Act) and work is carried out in accordance with the Councils policies and expectations. For example, ensuring no sexual harassment. The Council will ensure, in agreeance with the Contractor, that there is a clear route of resolution if this were to happen. There will also be inclusion within the contract regarding the above. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Sex</p>	<ul style="list-style-type: none"> • Clear conduct on what is expected behaviours and professionalism from appointed contractors (working within the confines of the Equality Act) and work is carried out in accordance with the Councils policies and expectations. For example, ensuring no sexual harassment. The Council will ensure, in agreeance with the Contractor, that there is a clear route of resolution if this were to happen. There will also be inclusion within the contract regarding the above. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Sexual orientation</p>	<ul style="list-style-type: none"> • Clear conduct on what is expected behaviours and professionalism from appointed contractors (working within the confines of the Equality Act) and work is carried out in accordance with the Councils policies and expectations. For example, ensuring no sexual harassment. The Council will ensure, in agreeance with the Contractor, that there is a clear route of resolution if this were to happen. There will also be inclusion within the contract regarding the above. 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Armed Forces (including serving personnel, families and veterans)</p>	<ul style="list-style-type: none"> • There are no known negative impacts on this protected characteristic 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Other, e.g. carers, low income, rurality/isolation, etc.</p>	<ul style="list-style-type: none"> • There are no known negative impacts on this protected characteristic 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Conduct of staff on site – reassurance delivered in acceptable way by ensuring clear routes for reporting in such an instance and route for resolution. Confirming the inclusion within contract of Equality Act clause.	Select date			<input type="checkbox"/>
Maintaining accessibility on site – reviewed by the appointed principal designer under CDM requirements and RAMS reviewed and approved by the PD and the Council’s internal Health and Safety team to ensure accessibility. All building users will be made aware of any works that limit accessibility throughout the project and alternative options will be reviewed.	Select date			<input type="checkbox"/>
Lighting – designs will be reviewed with the contractor and confirmed as suitable following further assessment of building services.	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>

	Select date			<input type="checkbox"/>
	Select date			<input type="checkbox"/>
If negative impacts remain, please provide an explanation below.				
Completed by:	Olivia Clydesdale			
Date	10/08/2023			
Signed off by:	David Dangerfield			
Date				
Equality Lead sign off name:	Tom Rutland			
Equality Lead sign off date:				
To be reviewed by: (officer name)				
Review date:				