

Report to: LED Monitoring Forum



Date of Meeting 19th September 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Decarbonising Swimming Pools

### **Report summary:**

This report outlines progress in work relating to decarbonising EDDC's swimming pools and related matters including applying for external funding opportunities namely the Low Carbon Skill Fund Phase 4, the Public Sector Decarbonisation Scheme Phase 3c and the Swimming Pool Support Fund Phase II (Capital).

The matter was debated by the Forum at its meeting of 11th April 2023 and a recommendation was made that consultants be appointed to advise Council and LED about the most appropriate way of moving forward for achieving carbon neutral swimming pools and leisure centres. An update was provided at the Forum's meeting of 27th June 2023.

### **Is the proposed decision in accordance with:**

Budget Yes  No

Policy Framework Yes  No

### **Recommendation**

That the Forum

- a) Note the content of this report.

Reason for recommendation:

To ensure members of the Forum are informed of the progress made in work relating to decarbonising EDDC's swimming pools.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

**Equalities impact** Low Impact

## Climate change High Impact

**Risk:** Medium Risk;

Whilst Cabinet has approved the funding (from existing Climate Change Budget) required to employ consultants to undertake the feasibility and design work to deliver the decarbonisation of EDDC's swimming pools, funding for undertaking the construction works has not been secured. Whilst external funding opportunities are being considered, there is no guarantee of success. Should external funding be secured, the funding is granted subject to conditions of self-funding and time frames for delivery, amongst others. The main risks are:

- a) Failure to secure external funding
- b) Failure to secure self-funding (through PWLB), with or without external funding secured
- c) Failure to deliver the works within the time frames required

Any of the above scenarios will mean that decarbonisation works will not proceed to construction phases leading to abortive fees, higher costs and delay or failure in delivering the Council's decarbonisation and net zero commitments.

### Links to background information

- [110423 Options to Reduce Energy Consumption at Swimming Pools.pdf \(eastdevon.gov.uk\)](#)
- [110423 Energy Options Summary. pdf \(eastdevon.gov.uk\)](#)
- [110423 Government Fund to Support Public Swimming Pools report.pdf \(eastdevon.gov.uk\)](#)
- [Decarbonisation of EDDC Swimming Pools - Consultant Appointment.pdf \(eastdevon.gov.uk\)](#)
- [Phase 4 Public Sector Low Carbon Skills Fund | Salix Finance](#)
- [Phase 3c Public Sector Decarbonisation Scheme | Salix Finance](#)
- [Swimming Pool Support Fund | Sport England](#)

### Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

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### Report in full

1. This reports follows previous reports to this Forum highlighting the need to decarbonise EDDC's Leisure building assets, particularly swimming pools, possible decarbonisation and energy saving solutions and external funding opportunities. The matter was debated by the Forum at its meeting of 11<sup>th</sup> April 2023 and a recommendation was made that consultants be appointed to advise Council and LED about the most appropriate way of moving forward for achieving carbon neutral swimming pools and leisure centres. An update was provided at the Forum's meeting of 27<sup>th</sup> June 2023.

### Background:

2. EDDC's budget for 2022/2023 allocated a capital budget of £60,000 to appoint consultants to review energy efficiency in all the corporate buildings. Whilst the original request was based on unspent decarbonisation legacy budgets, there was limited understanding of the work involved which led to the funding allocation being inadequate.

3. With the recent increase in energy costs, particularly the cost of gas, and swimming pools being high energy users mainly using gas boilers for heating, swimming pools have been particularly affected. As a result LED has encouraged EDDC to consider prioritising the decarbonisation of its swimming pool buildings, particularly moving away from the dependency on gas as the main source of heating. EDDC's Property & FM Team have accepted the need to prioritise swimming pools and started the process of appointing consultants and trying to secure external funding.
4. It is worth noting at this point that decarbonising swimming pools or any building, particularly moving away from gas as the main source of heating, might not necessarily translate into energy bills savings. Historically gas has been cheaper than electricity and it is expected that gas prices will fall to pre-war (Ukraine) levels in due course. Decarbonisation is not about reducing energy bills but reducing our carbon footprint.

## External Funding Opportunities

5. Three external funding opportunities have been considered as following:
  - a. Low Carbon Skill Fund Phase 4 ([Phase 4 Public Sector Low Carbon Skills Fund | Salix Finance](#))
  - b. Public Sector Decarbonisation Scheme Phase 3c ([Phase 3c Public Sector Decarbonisation Scheme | Salix Finance](#))
  - c. Swimming Pool Support Fund Phase II (Capital) ([Swimming Pool Support Fund | Sport England](#))

### The Low Carbon Skills Fund Phase 4 (LCSF4):

6. The LCSF4 is provided by the Department for Energy Security and Net Zero and administered by Salix. The fund provides grants for public sector organisations to access skills and expertise to deliver heat decarbonisation projects. Like in the previous phases, this phase was oversubscribed shortly after opening. Phase 4 offered £17m worth of grants and between the Application Portal opening on Wednesday 26 April 2023 and closing on Friday April 28, 2023, over 750 applications with a combined total value of more than £130m were received. EDDC submitted an application for approximately £333,000 in funding on the day the Application Portal opened. Unfortunately on this occasion our bid was unsuccessful. The funding would have paid for the consultant work required for producing Heat Decarbonisation Plans (HDPs), the design work required to deliver decarbonisation projects to RIBA Stage 3, and the support required for preparing bids for the Public Sector Decarbonisation Scheme Phase 3c and the Swimming Pool Support Fund Phase II (Capital).

### Public Sector Decarbonisation Scheme Phase 3c (PSDS3c)

7. The PSDS3c is also provided by the Department for Energy Security and Net Zero and administered by Salix. This funding provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures. The application portal is expected to open on Tuesday 10 October at 14:00 and it is expected to remain open for 10 working days or until a sufficient value of applications has been received for the budget available. This phase has up to £230 million available in 2024/25. The budget available in 2025/26 will be confirmed this autumn though a broadly balanced profile across 2024/25 and 2025/26 is to be expected. Applicants must contribute the funding equivalent to the like-for-like costs of replacing their fossil fuel heating plant and any supporting infrastructure within the plant room, set at a minimum of 12% of the total grant value. The requirements to apply for this fund, whilst tried and tested through the previous phases, are quite technical and complex. We have been advised that for our swimming pools it will take between 3 to 5 months to prepare a comprehensive quality application for this fund. Considering the funding required to appoint consultants has just been agreed, and consultants are still to be appointed, we will not be in a position to apply for this fund this year but expect to apply next year as appropriate should a similar opportunity arise.

## Swimming Pool Support Fund Phase II Capital (SPSFII)

8. The SPSFII is funding provided by the Department for Culture, Media and Sport and administered by Sports England. This funding offers £40m to improve the energy efficiency of public facilities with pools in the medium to long term. This is a new funding opportunity; i.e. no previous phases, and the requirements, the level of detail, self-funding and delivery time scales are still to be tried and tested. Sports England expects that each successful application will receive between £20,000 and £1m of funding. Local authorities have been asked to co-ordinate a single submission to the fund on behalf of all publicly accessible swimming pools in their area and engage with operators, independent charitable organisations and other tiers of government (e.g. parish councils) managing public pools within their area. As such two local swimming pools have expressed interest in applying to the fund, Flamingo Pool and Cranford Sports Club & Swimming Pool. The fund opened for registration on 7th September 2023, the Application Portal is expected to open on 3rd October 2023 and close on 17th October 2023 at 12:00. As above, we will not be in a position to apply for this funding for our swimming pools but expect to apply next year as appropriate should the opportunity be available.
9. We have advised Flamingo Pool, who have continued to express interest, that whilst we will not apply for our own swimming pools, we will be happy to apply on their behalf subject to Flamingo Pool providing the information required for the application. As such we have already registered and booked ourselves in one off two webinars to walk through the application form and process should Flamingo Pool decides to apply. Flamingo Pool has also been encouraged to meet with EDDC Officers to discuss their aspirations, the level of detail they already hold, identify what (if any) is missing and decide whether to apply for the funding.

## Internal Funding and Consultant Appointment

10. Failing to secure the funding from the LCSF4 left us with limited opportunities to prepare quality bids for the PSDS3c and the SPSFII. Whilst our LCSF4 bid was not successful, preparing the bid allowed us to have a better understanding of the level of funding required to decarbonise the three swimming pools sites, which is estimated as following:

Site	Design & Contract Admin	Construction	Total
Exmouth Leisure Centre	£404,420.20	£4,140,000.00	£4,544,420.20
Honiton Swimming Pool and Leisure Centre	387,812.80	£3,960,000.00	£4,347,812.80
Sidmouth Swimming Pool	£163,452.20	£1,540,000.00	£1,703,452.20
<b>Totals</b>	<b>£955,685.20</b>	<b>£9,640,000.00</b>	<b>£10,595,685.20</b>

11. The estimated costs above are based on an actual decarbonisation project in a leisure centre (with swimming pool) in Somerset. Please note that the costs above do not include specialist work / surveys and lead consultant's admin fees.
12. As previously stated, the cost to progress decarbonisation schemes in EDDC's swimming pools to RIBA Stage 3 and prepare for future external funding opportunities is approximately £333,000. This figure has been extracted from fee proposals provided by two local framework consultants we have approached. The fee proposals informed Matt Blythe's report to Cabinet (07/09/2023, Decarbonisation of EDDC Swimming Pools - Consultant Appointment) requesting Cabinet to approve the allocation of £333,000 from the existing Climate Change Budget, which has now been allocated.

## Next Steps

13. Going forward, the next task will be to finalise instructions and agree fee proposals with the best value offer and formally appoint consultants to move forward decarbonisation plans. We expect this task to be completed within 6 to 8 weeks.
14. In addition, it is the intention to prepare proposals to present at this year's Budget Setting and Capital Allocation Panel to secure internal capital funding to fully fund the projects over the next two financial years. New external funding opportunities will be applied for as appropriate and any funding secured will be offset against internal capital allocations.

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## Financial implications:

In order to meet the Council's commitment to be Carbon Neutral by 2040 then work to understand the solution for swimming pools is essential and this will determine the actual cost for this Council's assets. Without external funding the cost to the Council which is estimated at £10.6m at this stage is unrealistic; this would equate to annual cost in revenue of £735k for debt charges. However until the exact cost and solutions are known then the ability to credibly applying for external funds is not possible. The debate on affordability will come within the budget process once costs are known and a sensible approach maybe to hold the start date and final decision on works until the outcome of further funding rounds are known, or to consider phasing based on priority and costs of each site.

## Legal implications:

As this report is for note only, there are no substantive legal issues directly arising.