

28 June 2021

Wards: All

Hull Carbon Neutral Strategy 2030 Corporate Buildings LED Lighting Replacement Framework

Report of the Director of Legal Services and Partnerships

Click here to enter details relating to the Forward Plan
Insert forward plan number reference (delete if not applicable) **0035/21**

1. Purpose of the Report and Summary

- 1.1 Hull City Council has declared a climate emergency and is committed to being carbon net zero by 2030. Replacement LED lighting projects significantly contribute towards decarbonisation buildings by reducing energy consumption and generate revenue saving in the MTFP.
- 1.2 In February 2021 the City Council was successfully secured external Government funding to accelerate the roll out of a corporate LED lighting replacement programme across its corporate building portfolio.
- 1.3 The procurement of a framework of contractors to supplement resources in the Council's wholly owned company KWL will allow for the roll out of the programme over the next 36 months and ensure that projects are delivered within the timescales set within funding agreements.

2. Recommendations

That Cabinet:

- 2.1 Authorise the acceptance of SALIX funding to supplement Council funding to be committed on a spend to save basis and reported to Cabinet through the quarterly reports on the Capital Programme.
- 2.2 Authorise the commitment of the combined funds to improve the energy efficiency of public buildings in the city working in conjunction with the Council's in-house contractor Kingston Works

Limited.

- 2.3 Authorise the appointment of four contractors to a framework contract comprising contractors with the competence to undertake the replacement of existing lighting with LED lighting in corporate buildings to supplement current capacity provided through Kingston Works Limited.
- 2.4 Authorise the offer and award of LED replacement lighting through the framework contract to appointed contractors through individual decision record.

3. Reasons for Recommendations

- 3.1 Hull City Council has declared a climate emergency and is committed to being net zero by 2030; in line with that commitment, securing an LED lighting framework strengthens Hull City Council's ability to accelerate deliverables which contribute towards being net zero (both through existing partnering and other means).
- 3.2 The establishment of a framework contract will ensure that the Council is able to deliver the improvements within timescales set by external grant funders enabling the early realisation of deliverable energy savings.

4. Impact on other Executive Committees (including Area Committees)

- 4.1 In addition to the carbon zero target of 2030, the lighting framework will support the local economy during the supply and installation phases by KWL and other locally based contractor who supports the priority use of local labour and supply chains.

5. Background

- 5.1 The City currently consumes approximately 4.5 TWh of energy, with 3.2 TWh of this being demand for gas and electricity. Of the carbon emissions emanating from this energy use, 29% originate from public and commercial buildings. As such, we are aware that meeting the net zero 2030 commitment can only be achieved through the aggressive application of a range of measures across the city and our operations, including reducing the energy demand of our own buildings. The proposed replacement lighting thus forms one element of our efforts to improve the energy performance of our buildings and is seen as a high impact 'quick-win' in terms of reducing our carbon footprint and generating long-term building cost savings.
- 5.2 In February 2021 the Council were awarded funding from the Governments Salix Public Decarbonisation Scheme. Under the terms of the funding the works must be carried out October 2021. To date we

have been working alongside colleagues in KWL but as we accelerate deliver there is a need to provide a wider level of resource to support delivery.

- 5.3 The well-publicised impact an LED lighting project can deliver in a relatively short period makes it a clear and obvious starting point in our efforts but it is not seen as a building decarbonisation option is chosen over another. Successful completion of the lighting project, supported KWL and a replacement lighting framework will give us the platform to systematically work on more technically demanding and ambitious decarbonisation works across our building portfolio and the wider city.

6. Issues for Consideration

- 6.1 To date and since 2018, the following LED projects have been delivered as standalone in year projects under a 'spend to save' model:

- Wilson Centre
- Stockholm Road Depot
- Hull Ice Arena
- Ennerdale Cycle Circuit
- Ennerdale Leisure Centre
- Walton Street Carpark
- West Park
- George Street multi storey car park
- Ferens Art Gallery
- Costello Stadium

- 6.2 The energy savings to date represent 30% average improvement across all sites (carbon trust referenced at 30%-50%). Notably, George Street car park being 50% and paying back in under 12 months, also Ferens Art Gallery representing a 75% improvement.

- 6.3 Working alongside colleagues and legal and procurement we are in the process of setting up an NEC4 framework through a competitive process for the procurement of contractors to complete LED Lighting replacement programme. Once in place, contractors can either be "called-off" on a rotational basis or a mini-competition can be held to select a contractor. This process will be much quicker than a scheme by scheme approach to procurement given the contract documents are already agreed and in a standard form and the contractors will be required to make resources available, otherwise the project will go to the next contractor. The contract will be an NEC4 Engineering and Construction Contract, Main Option A.

- 6.4 The timescales set by Government for use of these grants are short (date to be spent by 30 September 2021). Direct award to KWL will continue as the primary and preferential method of project delivery, however, operationally KWL have demonstrated that it is not always

been possible to resource the full programme at peak periods (due to other Hull City Council commitments) and also in consideration of other project time or cost constraints. The Property Team and NPS will liaise closely with KWL to ensure that KWL maximise the amount of work they undertake, however, having suppliers on the framework able to pick up any work KWL is unable to undertake will ensure the project is completed on time.

- 6.5 The proposed NEC 4 Framework Contract has a maximum programme value of £3.5M to appoint 4 contractors (to support the delivery with KWL) over a duration of 36 months (with an option to extend for 12 months) to carry out Replacement Lighting Projects in Hull City Council Properties.
- 6.6 During the first 12 month of the programme duration, the value of the replacement lighting projects total £1.251M and are broken into 3 primary batches.
- 6.7 Batch 1, lighting schemes c £250k, currently tendered on the framework
- 6.8 Additionally, a Section 31 grant through SALIX has been awarded to Hull City Council for £340k of the total initial 12 month programme value of £1.251M (project batches 1- 3).
- 6.9 All replacement lighting will conform to current industry guidance in terms of achieving the appropriate lux level which is suitable for the use it is intended and taking into account user groups such as those with visual impairment and other disabilities.

7. Options and Risk Assessment

- 7.1 Do nothing - Continue to direct award all LED lighting replacements to KWL. The primary risk with this option is that the delivery of LED lighting schemes will rely with a single contractor. To enable any acceleration or large scale delivery there is a requirement for a consummate and available resource and for that reason this option is not recommended.
- 7.2 Secure a lighting framework - The proposal set out in section 6 above provides the optimal solution to support the objective of the Council to be carbon zero by 2030 by implementing the framework of lighting replacement to both support direct award to KWL as the primary procurement path and ensure there is sufficient resource to deliver the programme and Section 31 grant funding

8. Consultation

- 8.1 Tbc

9. Comments of the Monitoring Officer (Director of Legal Services and Partnerships)

9.1 Establishing a framework contract through which schemes can be awarded on either a rotational or mini-tender basis provides a legally compliant methodology for contracting in capacity to supplement the Council's in-house supplier.

10. Comments of the Section 151 Officer (Director of Finance and Transformation)

10.1 The Director of Finance and Transformation notes the programme of Replacement Lighting Projects in Hull City Council Properties. The timescales for delivery are short and therefore increasing the potential supplier base should KWL be unable to undertake the works in the required timelines is supported. GS

11. Comments of Assistant Director of HR & OD and compliance with the Equality Duty

11.1 There are no staffing or equality duty implications arising from this recommendation. (KM)

12. Comments of Overview and Scrutiny

12.1 This report was considered by the Infrastructure and Energy Overview and Scrutiny Commission at its meeting of Wednesday 16 June 2021. The Commission supported the recommendations at section 2 of the officer report. (Ref. Sc6227 (FH))

13. Comments of the Portfolio Holder Environmental Services

13.1 I am happy to endorse the recommendations with regard to the acceptance of SALIX funding, which will improve the energy efficiency of the Council's buildings, and the appointment of four contractors to undertake the replacement of existing lighting to supplement the work of KWL. These decisions will have a positive impact on Hull's ability to move towards becoming a carbon neutral city by 2020.

Director of Legal Services & Partnerships Ian Anderson

Contact Officer: Neil Daynes Telephone No.: 615073

Officer Interests: None

Background Documents: - A list of background documents must be included. These documents are then available (if not exempt) for public inspection.

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	Yes

I have included information about how this report contributes to the City Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	Yes
I have considered the impact on Children Looked After and Care Leavers and any resulting actions/implications have been included within the report.	Yes