

# Decarbonisation of the Kent Innovation Centre

Supporting report for the Individual Cabinet Member Decision

<b>Date</b>	6th April 2021
<b>Report Author</b>	Climate change officer
<b>Portfolio Holder</b>	Cllr Yates, Cabinet Member for Finance, Administration and Community Wealth Building
<b>Status</b>	For Decision
<b>Classification:</b>	Unrestricted
<b>Key Decision</b>	No

## Executive Summary:

TDC has successfully applied to the Public Sector Decarbonisation Scheme (PSDS) for £1.1 million to decarbonise the heating and energy supply of the Kent Innovation Centre. This has been signed off by the Section 151 officer and Director of Finance.

The Authorising Officer is Jasmin Vickers (Secondment - Director of Environment) and Rob Large (Director of Property Asset Management) is responsible for the asset. We need to move quickly to spend this money as the time scales are challenging.

We have interviewed a number of candidate project managers who will create the scheme of works and full design brief. We request that the budget is added to the capital programme to be able to contract the chosen candidate as soon as possible.

A full report on this project will go to Cabinet on the 17th June 2021 to approve the action of going out to tender.

## Recommendation(s):

Move the Public Sector Decarbonisation Fund (of £1.1 million) to the capital programme.

## Corporate Implications

### Financial and Value for Money

The project is wholly externally funded and due to pressing timescales £1.1m is required to be added to the Capital Programme, the details of which are laid out in the report.

### Legal

## Corporate

TDC called a climate emergency in 2019 and pledged to become net carbon zero by 2030. An audit of the gas bills of TDC owned buildings showed that the Kent Innovation Centre (KIC) has a high gas use. Given that it is a relatively new building, and given its name, it was decided that it would make a fitting building to decarbonise, creating the first low carbon TDC building.

The smaller Decarbonisation Skills Fund was used to contract renewable energy consultants to analyse the building and to apply to the full Public Sector Decarbonisation Fund. We applied for £1.1 million to:

- Exchange the gas boilers for three air source heat pumps.

These are like reverse refrigerators which use small amounts of electricity to take heat from cool air outside the building, concentrate it and pump it inside. As the electricity can be sourced through renewable means, the heat provided to the KIC will be renewable.

- Add roof and window insulation to improve heat efficiency.
- Add enlarged radiators. These are needed as the heat provided by heat pumps are slightly lower temperature than gas boilers.
- Add a heat exchange unit in the roof to prevent heat being lost through the ventilation system: the heat in the air leaving the building will be retained and used to warm air coming into the building.
- Install a large array of solar pv on the roof
- Add a battery bank for electricity storage
- Upgrade the electricity supply

The bid was successful and forms part of an exciting project to start to decarbonise TDC estates.

## Equality Act 2010 & Public Sector Equality Duty

### CORPORATE PRIORITIES

This report relates to the following corporate priorities: -

- *Growth*
- *Environment*

## 1.0 Introduction and Background

- 1.1 TDC called a climate emergency in 2019 and pledged to become net carbon zero by 2030. TDC needs to aim to decarbonise all estates and activities over the next ten years.
- 1.2 A large proportion of our total greenhouse gas emissions come from the gas central heating of buildings we own. The decoupling of our heating supply from fossil fuels is complicated and expensive and so external funding was sought.
- 1.3 The Public Sector Decarbonisation Grant Scheme was released in October 2020 and offered £1bn of grant funding to enable the decarbonisation of public building's heating supply.

- 1.4 The initial skills fund was successfully applied for and enabled the Kent Innovation Centre to be analysed for renewable energy solutions by local experts Square Gain by late December.
- 1.5 A £1.1 million bid was submitted to the PSDF on January 11th 2021 by the Climate Change Officer, supported by the Finance Manager, the Interim Director of Property Asset Management, the Director of the Environment as the Authorising Officer and signed off by the Section 151 officer.

## **2.0 The Current Situation**

- 2.1 In January we were told that the PSDF was oversubscribed, however there was an option to receive the money through a section 31 agreement. Also, another bid which included £28k for an internal project manager was closed, and so had to be incorporated within the £1.1 million bid.
- 2.2 It was agreed that we would accept the funding through section 31 and incorporate the project managers fees within the main bid.
- 2.3 The bid was successful and will fund
  - New roof insulation and preparation of the roof for solar pv.
  - New window seal insulation
  - Replacement of gas boilers with air source heat pumps
  - New larger radiators
  - A heat exchange unit in the roof
- 2.4 These will provide a completely electric heating supply. If this electricity is purchased or made from renewable sources then the heating supply becomes fully renewable.
- 2.5 The fund will also cover:
  - New solar pv on the roof
  - Battery bank
  - New upgrade of the electricity supply
  - LED lighting
- 2.6 These aspects will provide renewable energy to the heat pumps and save TDC some money on the electricity bills for years to come. The full savings will be calculated as the brief is finalised.
- 2.7 As TDC pays the bills at the KIC, the savings would be recouped directly, which is a stipulation of the fund. The rooms and floors are leased out however the fees are a set cost and would not decrease due to the change in energy provision, ensuring that all savings are fully returned to TDC.

## **3.0 Options**

- 3.1 Move the Public Sector Decarbonisation fund (£1.1 million) to the capital program or;
- 3.2 Do not move the funds to the capital program.

3.3 If the former is chosen then the project can be progressed. This is recommended.

Contact Officer: Dr Hannah Scott (Climate Change Officer)

Reporting to: Jasmin Vickers (Secondment - Director of Environment)

**Annex List**

None

**Background Papers**

None

**Corporate Consultation**

**Finance:** Matthew Sanham (Financial Services Manager)

**Legal:**