

Subject:	Public Sector Decarbonisation Scheme Project at Marl Pits Leisure Centre	Status:	For Publication
Report to:	Extraordinary Council	Date:	4 th June 2025
Report of:	Climate Change Programme Officer	Lead Member:	Economic Development
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment:	Required:	No	Attached: No
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1. RECOMMENDATION(S)

- 1.1 To note the award of £1,379m in capital funding from the Government's Public Sector Decarbonisation Scheme (PSDS) Phase 4 together with match funding of £300k from the Carbon Reduction Fund as approved, to replace the current fossil fuel heating system with a low carbon alternative at Marl Pits Leisure Centre.
- 1.2 To approve the inclusion of the scheme in the Council's Capital Programme.
- 1.3 Delegate authority to the Director of Economic Development, the Director of Resources and Monitoring Officer in consultation with the Lead Members for Regeneration and Resources to procure and appoint consultancy and contractors to deliver the works.

2. EXECUTIVE SUMMARY

- In September 2019, Rossendale Borough Council declared a Climate Emergency and set out a plan of action to reduce carbon emissions generated by the Council, businesses, other organisations, and individuals across the Borough.
- A key challenge in delivering the Council's Climate Action Plan is reducing carbon emissions from Council buildings, which are currently reliant on gas for heating.
- The Government's Public Sector Decarbonisation Scheme (PSDS) provides funding to local authorities in England to transition to cleaner heating solutions and reduce emissions, accelerating progress toward net zero.
- A PSDS Phase 4 grant application was submitted in November 2024. The Council was successful for the total grant value of £1.379m with additional £300,000 of Council match funding.
- The grant will allow the Council to undertake a building decarbonisation project at Marl Pits Leisure Centre which predominantly comprises of the replacement of the gas-powered boilers with air source heat pumps, associated insulation works and installation of solar Photovoltaics (PV).
- The PSDS funding awarded for this project is a multi-year grant, with a required spending profile of 8% in the 2025/26 financial year and 92% in 2026/27. In accordance with PSDS grant conditions, all funded measures must be completed by 31 March 2027.

3. BACKGROUND

- 3.1 In September 2019, the Council declared a Climate Emergency and set out its Climate Change Strategy and Action Plan covering the following policy themes:

- Efficient energy consumption
- Transport
- Waste and Biodiversity
- Working together in Partnership.

- 3.2 The Council set a target to make its operational carbon emissions net zero by 2030. It has committed funding to deliver a programme of building decarbonisation, which will play a fundamental role in achieving this target. In 2020, energy consumption from heating council-owned buildings accounted for 51% of the Council's total emissions, making it the largest single source.
- 3.3 Marl Pits Leisure Centre, the only leisure centre in the Borough with an operational swimming pool, is also the largest emitter of carbon emissions among council-owned buildings.
- 3.4 In 2024, the Council commissioned an energy audit for Marl Pits Leisure Centre to identify the most suitable and cost-effective energy efficiency measures and low carbon heating options. The findings of the audit indicated that these measures would significantly reduce carbon emissions and lower energy costs, aligning with Council priorities.
- 3.5 In September 2024, the Department for Energy Security and Net Zero (DESNZ) confirmed the continuation of the Public Sector Decarbonisation Scheme (PSDS) for the financial years 2025/2026 to 2027/2028. The scheme supports public sector buildings, including schools and hospitals, in transitioning to cleaner heating and reducing emissions to accelerate progress toward net zero.
- 3.6 A PSDS Phase 4 grant application was submitted in November 2024 and in March 2025, the Council was successful in securing £1,379m in PSDS funding. The funding will support the installation of key decarbonisation measures at Marl Pits Leisure Centre.
- 3.7 As part of the grant conditions, Marl Pits Leisure Centre must be connected to a low carbon heat source by 31 March 2027, and the existing gas boilers removed from operation.
- 3.8 The project to decarbonise Marl Pits Leisure Centre forms part of a wider programme of interventions aimed at delivering the Council's Climate Change Strategy and Action Plan, with overarching goal of achieving net zero operational emissions by 2030. The attached table in Appendix 2 provides context for a range of activities that have either been completed or are currently in development to support the decarbonisation of Council assets.
- 3.9 As of the end of the 2023/2024 financial period, the Council has achieved 34% reduction in its operational carbon emissions, compared to 2019/2020 baseline. This demonstrates significant progress and reinforces the importance of continuing targeted decarbonisation projects across the Council's estate

4. DETAILS

- 4.1 Since its launch in 2020, the Public Sector Decarbonisation Scheme (PSDS) has provided grants to public sector organisations to implement energy saving and carbon reducing technologies in their buildings. The scheme aims to reduce emissions from public sector buildings by 75% by 2037, compared to a 2017 baseline.
- 4.2 As part of the Council's ongoing building decarbonisation programme, an application was submitted to the PSDS to support our efforts and fund interventions to decarbonise Marl Pits Leisure Centre. The project includes the installation of energy efficiency measures and a low

carbon heating system, which will reduce utility costs and contribute to the Council's carbon reduction goals.

4.3 The following works will be carried out at Marl Pits Leisure Centre as part of this project:

- Installation of air source heat pumps (ASHP)
- Installation of solar panels.
- Heating and cooling system improvements
- Building Management System (BMS) optimisation.

4.4 These works will reduce carbon emissions by 194tCO₂e per year and will enable the full decarbonisation of Marl Pits Leisure Centre.

4.5 The costs are funded by the PSDS grant funding (£1,379,000) as well as the Council capital match funding (£300,000). The PSDS grant received for this project is a multi-year grant, in which the grant must be claimed in both financial year 2025/26 and 2026/27 according to a fixed yearly split. As the project is a multi-year scheme the timeframe for spending the grant remains as:

- Year 1- £107,250.00 must be spent by 31/03/2026.
- Year 2- £1,271,922.00 must be spent by 31/03/2027.
- Match funding - £300,000 must be spent by 31/03/2027, and is anticipated to be in year 2.

4.6 In accordance with the capital grant agreement, all works must be completed by 31 March 2027. Funding cannot be carried over beyond these dates.

4.7 As funding was not guaranteed at the time of budget setting, this scheme was not included in the Council's Capital Programme and as a result now needs to be added to the same which requires the support of Full Council.

4.8 A project team has been assembled including officers from the Council and the Rossendale Leisure Trust and they will be responsible for overseeing the project to completion.

4.9 It is now necessary to work up a full design and specification of work in readiness to seek any required planning approvals and go out to tender for a contractor. There is neither the resource or expertise within the Council to deal with such technical matters and it is proposed to appoint a suitably qualified expert to assist in the delivery of the scheme. In brief, the successful consultant will be responsible for all technical drawings and specifications, submission of any necessary planning applications, will lead the procurement of the contractor for works and undertake the project management of the scheme in order to meet the strict March 2027 deadline.

4.10 The appointment of the consultant and the contractor of works will be undertaken in full compliance of the Council's Constitution and public procurement regulations. Delegations to officers in consultation with Lead Members have been sought to ensure a timely and smooth programme of delivery to meet all necessary deadlines.

5. RISK

All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Build costs may increase after the onset of construction, leading to budget pressures on the programme.
Mitigation
 - Cost contingencies will be included in the project budget, and strict financial management will be implemented to avoid the need for value engineering while maintaining the project within the approved financial envelope.
- Delays in obtaining Distribution Network Operator (DNO) upgrades, particularly for sites where additional power is required, may impact the project timeline.
Mitigation
 - Early engagement with relevant DNOs will be initiated to ensure sufficient time is allowed for any necessary upgrade works.
- Reputational impact due to Leisure Centre closure during installation works.
Mitigation
 - Works will be planned in phases and where feasible, scheduled during off-peak periods to keep parts of the Leisure Centre open and minimise disruption to users.
 - Advance notice and regular updates will be provided through multiple channels (e.g. centre signage, council website, social media) to keep the public informed of project timelines, temporary closures and reopening dates.
- Internal disruption to building users and staff during works.
Mitigation
 - Officers will collaborate closely with the Leisure Trust staff and contractors to develop a detailed phasing and relocation plan aimed at minimising disruption.
 - Regular staff briefings will be held to keep all teams informed, and clear on-site signage will be used to guide users safely through any temporary changes to access.
- Delays in securing planning permission.
Mitigation
 - Early and proactive engagement with planning officers will be undertaken to identify any potential issues in advance.
 - Officers will ensure that comprehensive and accurate documentation is prepared and submitted in line with planning requirements, helping to meet key deadlines and avoid delays in the programme.
- Disruption to school or community events at the Leisure Centre.
Mitigation
 - Clear communication of project timelines, access changes and any potential disruption will be provided well in advance to allow for alternative arrangements where necessary, helping to minimise inconvenience.

6. FINANCE

All finance considerations are contained within the body of the report.

7. LEGAL

7.1 Full Council is required to approve any in year additions to the agreed Capital Programme.

7.2 All procurements will be undertaken with due regard to the Constitution and Public Procurement requirements.

7.3 All statutory permissions should be applied for and approved prior to commencement of works.

- 7.4 All necessary legal agreements will be entered into as appropriate to the nature of the appointments.
- 7.5 Officers will ensure that the terms of the grant funding agreement are adhered to, to mitigate any risk of challenge.

8. POLICY AND EQUALITIES IMPLICATIONS

There are no policy or equality implications arising from this report.

9. REASON FOR DECISION

- 9.1 The successful completion of the decarbonisation project at Marl Pits will support the Council in achieving net zero emissions across its corporate assets by 2030. The measures are estimated to deliver annual carbon savings of approximately 194 tonnes of direct carbon emissions.
- 9.2 The PSDS project aligns strongly with the Council's Corporate Plan and Core Strategy, particularly the priorities of addressing climate change and reducing carbon emissions. Implementing these energy efficiency measures and replacing fossil fuel-based boilers directly contributes to the Council's commitment to becoming carbon neutral by 2030.

Background Papers	
Document	Place of Inspection
Appendix 1 Special Urgency Decision Document	Rossendale Borough Council
Appendix 2 Current and proposed decarbonisation projects	Attached

Appendix 2- Current and proposed Decarbonisation Projects

Theme	Project	Timeline	Funding Source	Description
Efficient energy consumption	Marl Pits decarbonisation project Phase 1	Complete	Swimming Pool Support Fund (SPSF) Carbon Reduction Fund	Installation of new low carbon Air Handling Unit with heat recovery and pool covers
	Marl Pits decarbonisation project Phase 2	2026/27	Public Sector Decarbonisation Scheme (PSDS) Carbon Reduction Fund	Installation of air source heat pumps, solar PV, and building energy management system optimisation
	Building decarbonisation project stage 1	Complete	Carbon Reduction Fund	Lighting upgrades, Insulation improvements, installation of replacement double glazed units have been implemented at Futures Park and A,B & D Centre
	Building decarbonisation project Phase 2	2025/26	Carbon Reduction Fund	Lighting upgrades, Insulation improvements, improve energy management arrangements, Smart Building Energy Monitoring and Solar PV remedial works are planned at Futures Park, Marl Pits, The Ashcroft, Stubbylee Annexe
	Building decarbonisation project Phase 3	2027/28	PSDS funding	Installation of air source heat pumps, solar PV, and building energy management system optimisation
Transport	Fleet decarbonisation	Ongoing	Capital replacement budget	Purchase of electric vans for the operations team
	EV infrastructure project (phase 1)	Complete	On-Street Residential Charge Point Scheme (ORCS)	Installation of 52 new EV charging sockets in 6 council-owned car parks
	EV infrastructure project (phase 2)	2025/26	Private Sector Funding	Exploring opportunities for the installation of EV charging infrastructure in Whitworth, Helmshore and leisure centres
Waste and biodiversity	Biodiversity feasibility studies	Complete	Biodiversity Net Gain Grants	Feasibility studies to identify opportunities and cost to improve biodiversity in the Borough
Working in partnership	Net Zero Terraced Streets Project	2025/26	Innovate UK Funding	Pilot innovative project to find solutions to decarbonise