

ASHFIELD DISTRICT COUNCIL: OFFICER DECISION RECORD

Please use this form to record those executive decisions which are taken by officers and are **not** designated as 'Key Decisions' – or in other words those decisions which are **not** included in the Forward Plan. There is a separate form for recording Key Decisions.

You should also use this form to record decisions about those functions which are reserved to the Council or to its committees. The Constitution explains what these reserved functions are and who is responsible for them.

1. Title/Subject Matter:

Public Sector Decarbonisation Fund Phase 3b – Variation to Contract

2. Decision Reference Number:

ODR OP315

3. Decision Taken:

To approve a variation in contract and to include payment in advance to ensure external PSSDS3b funding can be maximised, in line with funder approvals.

To liaise with the Legal Services regarding relevant drafting and approval of documentation.

4. **Reasons for the decision:**

The Public Sector Decarbonisation Scheme Phase 3b (PSDS3b) comprises two projects – the installation of decarbonisation measures to the Council’s main offices on Urban Road in Kirkby-in-Ashfield, and Hucknall Leisure Centre (HLC), Hucknall.

On the 21st of December 2023, a contract was signed between ADC and supplier Leisure Energy Limited (LE), to design the replacement heating systems to RIBA Stage 4 and purchase long lead capital equipment items that had to be ordered to ensure they were manufactured and delivered on time for installation (Contract Value circa £1.93m).

LE have been unable to progress the designs to RIBA Stage 4 as planned and so cannot establish final costs to complete the projects which is needed before we enter into Contract to commit to the remainder of the tasks needed to complete the projects.

All eligible funding costs for the Central Offices have been claimed, however there remains funding still to be claimed for capital equipment. Consultation with SALIX has resulted in confirmation that the Council is allowed to claim in advance for capital equipment items but not labour costs. Working with LE, the Council has identified remaining capital equipment costs that could be claimed for HLC.

Therefore, the intention is to vary the existing contract to pay LE in advance for remaining materials, and release retention to date, to maximise the funding able to be claimed. The next contract will be reduced by the same value.

5. **Alternative options considered / rejected:**

The only other option is for the Council not to vary the contract but this would increase the funding required by the Council and therefore increase its financial burden. This option is therefore not recommended and has been rejected.

6. **Implications:**

Legal

In addition to complying with all relevant UK legislation the Council must also comply with the Council’s Contract Procedure Rules and the Council’s Financial Regulations. The Contract Procedure Rules allow, in specified circumstances, the variation of contracts so long as a budget has been allocated for the expenditure and value for money can be demonstrated. The additional works or services must not exceed 50% of the value of the original Contract.

Any grant funding received must be spent on delivering the proposal/bid as per the conditions of the grant funding. Failure to do so could result in recovery of the grant. The use of the grant must comply with subsidy control rules, both in terms of direct receipt of funds and intended use/expenditure of those funds. Legal Services will provide advice and assistance to ensure the transactions are formalised by way of the correct legal documentation. (HC 13/03/24)

<p>Financial</p> <p>There is sufficient budget remaining to cover this variation within the 2023/24 financial year. [AP 08/03/2024]</p> <p>Human Resources</p> <p>There are no HR implications contained in the report [KB 11.03.24]</p>
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Name / Title of the officer taking the decision:

Name:	 Paul Parkinson ED Ops
Date:	15.03.24

Use your own name and title. Do not 'pp' for a more senior officer who has asked you to take the decision.

Name/Title of the relevant Executive Lead Member consulted (if appropriate)

Name:	N/A
Date:	

(This decision is not subject to call-in and is circulated for information only).

If a Cabinet Member has a conflict of interest relating to this decision, then this should be declared and a request for dispensation will be considered.

Name/Title of the relevant Committee Chairman consulted (if appropriate)

Name:	N/A
Date:	

(For non-Executive/Council side function decisions)

The completed form should be emailed to any member of the Democratic Services Team:

- democratic.services@ashfield.gov.uk

They will arrange for it to be published on the Council's website.