

Capital Programme Review 2017-18

Project Appraisal Form

COMMITTEE & BID NUMBER

Strategy & Resources Bid 1

PROJECT TITLE

Installation of LED Lighting Various Sites

ACCOUNTABLE OFFICER

Officer responsible for project planning and delivery of the scheme. Accountable officers are also responsible for post project review.

Tony Foxwell

DETAILS OF PROJECT

Project scope, what is included/excluded in the scheme

All but one of the projects included are being put forward as a business continuity case. Only one, Bourne Hall, meets the spend-to-save criteria.

In the past some quick wins have been achieved from areas where lights were of high wattage and excessive running hours.

The LED schemes implemented in Council properties (i.e. LED retrofit in multi-storey car parks, indoor lighting at the Town Hall) have been a success.

Extra funding is required to continue to further improve lighting in our buildings which also result in energy reduction and financial savings.

This is not only energy reduction but replacement of old defective fittings that are passed their lifetime, and where replacement parts can no longer be obtained. New LED lighting in dark unsafe areas can improve light colour shade providing safer environment

Further inspections have been carried out to provide data for calculations as listed on attached spreadsheet

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	<p>Discussions with manufactures of lighting products such as Design Plan, Phillips and CRE have enabled rough costings to be included in calculation.</p> <p>Discussions with FM contractor and other electrical contractors has enabled rates to be included for labour and plant within the calculation.</p> <p>The attached spread sheet in annex 1 includes payback calculations and costings for the following Locations:</p> <ul style="list-style-type: none"> • Hudson House Car Park – payback 39 years • Bourne Hall – Payback 6 years • Longmead Centre – Payback 19 years • Clock Tower – Payback 12 years • Town Hall – Payback 17 years • Ashley Centre – No payback <p>There are still more locations yet to be investigated: i.e. Court rec for main flood lights, Ashley centre Level 4B & C and others etc.</p> <p>The results of calculations do not provide the 7 year payback but in most instances they do provide business continuity.</p> <p>The works intended will upgrade our facilities for the public and our users, the existing fittings are over 20 years old in most cases and if capital monies are not given, failure may still occur at these locations and works will still be required.</p> <p>Both Hudson House car park and Bourne Hall high level lighting remain problematic to maintain, with vandalism at Hudson House occurring regularly and access difficulties for bulb change at Bourne Hall.</p> <p>Approval is requested for the budget of £50,000 this year to be spent in priority basis and £50,000 next year to be agreed with similar calculations.</p>
Project outcomes and benefits	New improved energy efficient lighting, with less risk of health and safety issues.

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FINANCIAL SUMMARY

		Cost of Project £	Comments and detail where necessary. Provide appendices where relevant. Examples of business cases spreadsheets can be found in the Finance Handbook
a	Estimated cost of purchase, works and/or equipment	100,000	Over two years
b	Consultancy or other fees	0	
c	Total Scheme Capital Costs (a+b)	100,000	Over two years
d	External Funding Identified (e.g. s106, grants etc.) Please give details, including any unsuccessful funding enquiries you may have made.	0	
e	Net Costs to Council (c-d)	100,000	Over two years
f	Internal Sources of Capital Funds Identified (e.g. repairs & renewals reserve etc.)	0	
g	Capital Reserves Needed to Finance Bid (e-f)	100,000	50,000 in 2017/18, 50,000 in 2018/19
h	Annual Ongoing Revenue Additional Savings as a Direct Result of the Project	3,428	There will be savings in revenue costs as indicated in annex 1. This shows current revenue spend on areas of lighting and future revenue spend. Each location is different.
i	Annual Ongoing Revenue Additional Costs as a Direct Result of the Project	tbc	Dependent on schemes- see annex 1. Ashley centre project would incur an extra £2.990 pa in energy costs

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Year	2017/18 £	2018/19 £	2019/20 £
Spend Profile of Scheme – please identify which year (s) the scheme spend will fall into	50,000	50,000	0

REVENUE IMPACT

Can Revenue Implications Be Funded From the Committee Base Budget? – Please give details	These works will reduce revenue costs for energy at the sites
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CORPORATE PLAN 2016/20

Is this investment linked to EEBC's Key Priorities? If so, say which ones and evidence how. How does project fit within service objectives?	No
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TIMESCALES

What is the proposed timetable for completion of the project? Give estimated start and finish dates for each stage of the project. These dates will be used as milestones during quarterly budget monitoring to assess performance of project delivery.

		Target Start Date	Target Finish Date
1	Design & Planning	April 2017	April 2017
2	Further Approvals Needed	tbc	tbc
3	Tendering (if necessary)	June 2017	July 2017
4	Project start date	August 2017	
5	Project Finish Date		September 2017

BASELINE CRITERIA

All capital schemes are assessed against criteria set by the Capital Member Group annually. Bids should meet at least one of these criteria. State which capital criteria(s) for assessing bids are met and why. Leave blank any which are not met.

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Spend to Save schemes should meet the following criteria;

- Payback of the amount capital invested within the project within 5 years (7 years for renewable energy projects).
- The return required on capital employed should be linked to the potential cost of borrowing (MRP) rather than potential loss of investment income.
- Risk of not achieving return on investment is low.
- Clear definition of financial cost/benefits of the scheme.

Members may consider schemes with longer paybacks on major spend to save projects going forward, especially those that incur borrowing.

<p>Is there a guarantee of the scheme being fully externally funded and is it classed as a high priority? Please give details of funding streams, including any restrictions on the funding.</p>	
<p>Is the Scheme a Spend to Save Project? Will investment improve service efficiency including cost savings or income generation? What is the payback in years?</p>	
<p>It is mandatory for the Council to provide the scheme? Is investment required to meet Health and Safety or other legislative requirements? If so state which requirements.</p>	<p>Yes, will have a legal requirement to light buildings and car parks to appropriate CIBSE recommended lighting levels.</p>

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<p>Is this project the minimum scheme required to continue to deliver the services of the Council? - Is investment required for the business continuity of the Council? If so say how.</p>	<p>Yes difficult to operate buildings with substandard lighting</p>
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ASSET MANAGEMENT PLAN

<p>Is investment identified in the Council's Asset Management Plan?</p>	<p>Yes</p>
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PRIORITISATION

State which **one** of the four prioritisation categories are met and why.

1	<p>Investment essential to meet statutory obligation.</p>	<p>Yes, lighting levels need to be maintained in strict accordance with regulations</p>
2	<p>Investment Important to achieve Key Priorities.</p>	
3	<p>Investment important to secure service continuity and improvement.</p>	
4	<p>Investment will assist but is not required to meet one of the baseline criteria.</p>	

RISKS ASSOCIATED WITH SCHEME

1	<p>Outline the risks of delivering this project to timetable and budget. (Please do not include risks to the service or asset if project is not approved.)</p>	<p>Risks are dependent on the number of additional projects the team has to deliver with the existing resource within the team. These lighting projects are not difficult to deliver if planned correctly</p>
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2	Are there any risks relating to the availability of resources internally to deliver this project	No
3	Consequences of not undertaking this project	Lighting continues to fail, health and safety issues can be raised by the staff and the public.
4	Alternative Solutions (Other solutions considered – cost and implications)	If not funded under Capital, will have to carry out under revenue budgets – FM or Planned maintenance, but be advised these budgets are extremely stretched and other schemes will have to be cut.

Is consultation required for this project? Please give details of the who with and when by.	No
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Ward(s) affected by the scheme	Various
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Accountable Officer Responsible for Delivery of the Scheme

Name and Signature Date

Whole life revenue costs of capital project

Where savings or budget virements are being used to part fund a project, the relevant budget manager must sign the appraisal form.

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Accountable Officers for the revenue implications of the project

Project Manager Name and Signature Date
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Revenue Budget Holder Name and Signature Date
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Service Accountant Name and Signature Date
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