

Capital Programme Review 2022-23 Project Appraisal Form

COMMITTEE & BID NUMBER

Community & Wellbeing Bid 9

PROJECT TITLE

The Wellbeing Centre - Replacement of Boilers and Controls

ACCOUNTABLE OFFICER

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

Ian Dyer

DETAILS OF PROJECT

<p>Project scope, what is included/excluded in the scheme</p>	<p>Wellbeing Centre - Replacement of Boilers and Controls</p> <p>The boilers for the heating of the building and hot water are approx. 10 years old and not condensing boilers and therefore very inefficient. one boiler out of three is broken and has not worked for over two years. The control panel is 20 years old and in need of replacement. It is expected that energy saving can be achieved by replacement of plant. Estimated saving of 25% gas running costs.</p>
<p>Project outcomes and benefits</p>	<p>Wellbeing Centre - Replacement of Boilers and Controls</p> <p>Members recommended this scheme be progressed to final bid stage. The bid should make clear whether a more eco-friendly option such as an air source heat pump could be viable instead of a gas boiler.</p> <p>In order to use modern air source or ground source heat pumps the construction has to be fully insulated with no air loss, double glazed windows, with the heating left on constant at a low temperature. These systems are designed to work at lower temperatures average 30 degrees where boilers reach 80 degrees. They generally are used in new construction with underfloor heating systems. In this building with the elderly and very little insulation, you would be lucky if we could even get the building up to 10 degrees.</p> <p>We have radiators in the building so this would mean a complete strip out and the amount and size of system to run a building that big would be extensive. A budget figure has been given by a specialist for a suitable system of £130k.</p> <p>I have asked specialist to investigate and advise whether it is possible and if so, we will need to revise the bid to allow to carry out thermal imaging to ascertain weak spots in building where leaking heat and consider options to address this. If this route is followed it is a much larger project with serious disruption to the day-to-day operation of the building.</p>

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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	45k	This figure may increase considerably if ground or air source heat pumps are considered
b	Consultancy or other fees	5k	12% consultancy fees as M&E design required
c	Total Scheme Capital Costs (a+b)	50k	
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)	45k	
f	Internal Sources of Capital Funds Identified (e.g. repairs & renewals reserve etc.)	0	
g	Capital Reserves Needed to Finance Bid (e-f)	45k	
h	Annual Ongoing Revenue Additional Savings as a Direct Result of the Project	?	approx 25% energy saving
i	Annual Ongoing Revenue Additional Costs as a Direct Result of the Project	0	

Year	2022/23 £	2023/24 £	2024/25 £
Spend Profile of Scheme – please identify which year (s) the scheme spend will fall into	50k		

REVENUE IMPACT

Can Revenue Implications Be Funded From the Committee Base Budget? – Please give details	N/A
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ENVIRONMENTAL IMPACT

Does the scheme meet any of the Council's Climate Change Action Plan targets, and if so, which ones?	Yes, under fossil fuel powered heating systems this reduces CO2 footprint.
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FOUR YEAR PLAN 2020/24

Is this investment linked to EEBC's Key Themes? If so, say which ones and evidence how. How does project fit within service objectives?	
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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/ May 2022	
2	Further Approvals Needed	no	
3	Tendering (if necessary)	June 2022	
4	Project start date	July 2022	
5	Project Finish Date	September 2022	

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.

Spend to Save schemes should meet the following criteria;

- Payback of the amount capital invested within the project within 5 years (10 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.

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.	No
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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?	No
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.	Yes, we need heating for the elderly for comfort of the building.
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.	Yes, cannot operate without heating.

ASSET MANAGEMENT PLAN

Is investment identified in the Council's Asset Management Plan?	Yes
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PRIORITISATION

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

1	Investment essential to meet statutory obligation.	
2	Investment Important to achieve Key Priorities.	
3	Investment important to secure service continuity and improvement.	Yes, cannot operate without heating.
4	Investment will assist but is not required to meet one of the baseline criteria.	

RISKS ASSOCIATED WITH SCHEME

1	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.)	Working around the elderly.
2	Are there any risks relating to the availability of resources internally to deliver this project	Yes, we do not have M&E experience in house so will need extra budget for design work.

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3	Consequences of not undertaking this project	Building heating may fail and have to close the building.
4	Alternative Solutions (Other solutions considered – cost and implications)	Heat pumps both ground and air are being investigated.

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	Town
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Accountable Officer Responsible for Delivery of the Scheme

Name and Signature: Ian Dyer / Tony Foxwell

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.

Accountable Officers for the revenue implications of the project

Project Manager Name and Signature Date

Revenue Budget Holder Name and Signature Date

Service Accountant Name and Signature Date