



Cambridge City Council

To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith
Report by: Dave Prinsep, Head of Property
Scrutiny committee: STRATEGY & RESOURCES 8/7/2013
SCRUTINY COMMITTEE
Wards affected: All

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Barnwell House Offices – Replacement of Windows

Recommendation/s

Financial recommendations –

- The Executive Councillor is asked to approve the commencement of this scheme, which is already included in the Council's Capital & Revenue Project Plan (PR024 – Commercial Properties Asset Replacement Programme).
 - The total cost of the project is £50,000 funded from repairs and renewals fund contributions.
 - The project will achieve savings of £700 per annum.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of the replacement of the windows within the Barnwell House Offices.
- Subject to:
 - The permission of the Director of Resources being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

Project Name: Barnwell House Offices – Replacement of Windows

1 Summary

1.1 The project

The project is for the replacement of the existing single glazed windows within the Barnwell House Offices (leased-out commercial properties) with double glazed sealed units.

Target Dates:

Start of procurement	July 2013
Award of Contract	July 2013
Start of project delivery	August 2013
Completion of project	October 2013
Date that project output is expected to become operational (if not same as above)	

1.2 Anticipated Cost

Total Project Cost	£50,000
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Cost Funded from:

Funding:	Amount:	Details:
Reserves	£0	
Repairs & Renewals	£50,000	27720 Commercial Properties Repairs and Renewals Fund
Developer Contributions	£0	
Climate Change Fund	£0	
Other	£0	

1.3 Procurement process

An external glazing contractor will undertake the works.

The Estates & Facilities Asset Management Team has organised the procurement process through the Council's planned maintenance framework using Kier as the lead contractor. Kier has secured competitive quotations from the market for this work.

All other resources will be met from in-house staffing levels.

2 Project Appraisal & Procurement Report

2.1 Project Background

The project is for the replacement of the existing single glazed windows within the Barnwell House Offices (leased-out commercial properties) with double glazed sealed units.

Barnwell House Offices are owned by the City Council and are leased out to commercial office tenants. The Council is responsible for the upgrade works and the costs cannot be recharged to or recovered from the building tenants.

2.2 Aims & objectives

The replacement of the windows within the Barnwell House Offices meets the Council's vision for:

'A city in the forefront of low-carbon living and minimising its impact on the environment from waste and pollution.'

An Energy Performance inspection for Barnwell House Offices was carried out in November 2009 by an accredited Energy Assessor. In the accompanying Energy Performance Recommendation Report, the following comments were made:

"Some glazing is poorly insulated and has high U-values; [which are indicators of poor energy conservation]. Recommend replacing glazing and frames"

Replacement of existing single glazed windows (installation was part of original building construction around 1985) with double glazed sealed units was identified as having a High potential positive impact on the energy performance of this building and will be likely to reduce the production of CO₂ required to heat the building in cold weather and also by reducing the use of powered portable cooling appliances by office tenants during warm weather.

2.3 Major issues for stakeholders & other departments

All tenants of Barnwell House Offices will be consulted by Property Services (Resources Department) when the details of the proposed works and the timescales are drawn up. Disruption to tenants during works will be kept to a minimum

There are no issues or implications expected for other Council departments.

2.4 Summarise key risks associated with the project

None identified by proceeding with the project. Implications of not proceeding with the project may include the perceived and actual failure of the Council to mitigate its CO2 production and increased building energy costs, which are recharged annually to tenants. Not proceeding with the project may lead to possible surrenders of flexible leases by building tenants relocating to more energy efficient (non Council) accommodation elsewhere where carbon reduction measures have already been implemented by landlords.

2.5 Financial implications

- a. Appraisal prepared on the following price base: 2013/14
- b. Specific grant funding conditions are: n/a
- c. Other comments

2.6 Net revenue implications (costs or savings)

(See also Appendix A for spread across financial years)

Revenue	£	Comments
Maintenance	(700)	Reduced maintenance costs per annum following the replacement of windows
R&R Contribution	0	
Developer Contributions	0	
Energy savings	0	
Income / Savings	0	
Net Revenue effect	(700)	Cost/(Saving)

The Council's future building maintenance costs (window frame repairs) will be reduced as new glazing will not only require less maintenance but will eliminate the cost of maintaining existing glazing and frames.

There will not be any direct energy savings to the Council as the energy costs are recharged annually to tenants.

2.7 VAT implications

The Accountant (VAT & Treasury) has included as a precaution, £10,000 (20% of £50,000) of VAT on this proposed capital expenditure (known as 'exempt input tax') within the Council's corporate Partial Exemption calculation. The Council is confident, therefore, that the VAT incurred as highlighted above, can be contained.

Should there be a divergence from the capital budget for this scheme, the Council may need to consider 'opting to tax' this site. The effect of which will be to charge VAT on its previously 'exempt' supply of commercial rents. However, this will ensure there is no limit imposed on tax recovery (currently 5% per annum).

Consequently, careful VAT monitoring will be conducted and any variations to the above plan will be notified to the Director of Resources on the appropriate action that needs to be taken.

2.8 Energy and Fuel Savings

(a) Is this project listed in the Carbon Management Plan?	No
	If 'No', move to Section 2.9.

2.9 Climate Change Impact

Positive Impact		No effect	Negative Impact	
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When the project has been completed, there will be immediate and continuing savings of carbon emissions.

2.10 Other implications

Improvement of this commercial property asset within the Property Services managed commercial property portfolio and improvement to the property's Energy Performance Rating and potential ability to attract and retain revenue generating commercial tenants.

An Equality Impact Assessment (EqIA) has not been prepared for this project.

2.11 Staff required to deliver the project

Service	Skills	Total Hours
Property Services	Project ownership	15
Estates & Facilities Asset Management Team	Project management	8-10

2.12 Dependency on other work or projects

None.

2.13 Background Papers

Energy Performance Recommendation Report - dated 9 November 2009.

Available via:

<https://www.ndepcregister.com/reportSearchAddressSelectAddress.html?id=38c252594dc5ac17f0591fb2f90d96fd>

2.14 Inspection of papers

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