



To: Executive Councillor for Communities
Report by: Community, Sport & Recreation Manager
Relevant scrutiny committee: Community Services 9 July 2015
Wards affected: Coleridge, Romsey

**CAPITAL DELIVERY APPROVAL –
New Boiler system at Ross Street Community Centre**

Non Key decision

1. Executive summary

The new capital project approval process requires projects with a value of greater than £300k to obtain Executive Councillor approval before consideration for funding as part of the Mid-Year Financial Review (MFR) or Budget Setting Report (BSR) process. Below £300k, the Capital Programme Board (CPB) review the project to ensure that it is properly planned and ready for delivery. As the first meeting of the CPB is after this committee, any feedback from the Board will be incorporated in time for the decision for approval at Council.

The need for this project has transpired from the works carried out earlier this year at Ross Street to expand and extend the centre and create new preschool nursery provision. During these works it was found that the existing boiler was in need of replacement and was not budgeted for in the original project appraisal.

This project appraisal relates to the replacement of the old boiler system at Ross Street Community Centre. The single boiler will be replaced with two boilers, one to provide independent services to the Community centre facilities and the other one provide services to the recently extended and sublet preschool nursery provision.

Initial work indicates that a capital budget of up to £36,000 will be required for the works. This figure reflects the upper end of the indicative price range obtained from suppliers, and is before any savings achieved as a result of the implementation.

Further information on the financial implications of the project is set out in Appendix 1 – B1: Estimate the project costs, and in Appendix 2 – Financial case summary Appendix 3 – Capital Project Prioritisation Score, which will be considered by the new Capital Project Board

Funding approval is required now to enable the project to commence without delay, prior to the new capital approval process, which is to be considered at Strategy & Resources Scrutiny Committee on 13 July, and as the boiler services will be required from October onwards for the heating of the premises, and the best time for implementation of the works to cause the minimum amount of disruption and potential loss of revenue for the Ross Street community centre is to have the works completed over the summer period.

Details of the project, including financial and other implications are set out in Appendix 1.

2. Recommendations

The Executive Councillor is recommended:

- to approve the replacement of the boiler system at Ross Street Community Centre , as detailed in the attached appendices, which has been properly planned and is ready for implementation, subject to any feedback from the Capital Programme Board
- to recommend that Council approve capital funding of £36,000 for the replacement boiler system project.

3. Background papers

These background papers were used in the preparation of this report:

Replacement boiler system - Project Control Document (PCD) Parts A and B

4. Appendices

Appendix 1 – Project details, extracted from the PCD
Appendix 2 - Financial case summary
Appendix 3 – Capital prioritisation form

5. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Appendix 1 - Project details, extracted from the PCD

A1. Project Brief - Purpose

To replace the old boiler system at Ross Street community centre and replace it with two boilers and separate the current hot water and heating provisions around the centre. To split the system in two, so one boiler provides hot water and heating services to the new preschool centre and toilets, and the other provides hot water and heating services to the rest of the community building and facilities.

A2 Project Background

Ross street community centre is a council run facility serving the local community with hall hires, a community room and kitchen, and a pre-school nursery provision which has recently been upgraded and extended with S106 developer funds and a County Council capital grant.

The preschool operations and associated areas of the building have been leased to Romsey Mill who now run pre-school and after school activities during the week.

As part of these extension works it became clear that the current boiler provision which is over 15 years old needs to be upgraded and replaced, as servicing and parts to keep the existing boiler operational are getting harder to obtain and are needed more frequently.

The project is to supply two separate condensing boilers to supply the community centre and the pre-school nursery with independent hot water and heating services.

The boilers will provide domestic hot water services to the toilets and kitchens and room heating via the current radiators, which will also be upgraded to newer modern radiators with better thermal qualities. New timer and controls will also be included in the project to manage and programme the day to day heating requirements.

A3. Objectives

- To remove the old boiler system.
- To install two new condensing boilers
- To split the boiler system so they provide for the community centre hall, rooms and offices and the second one provides for the pre-school nursery, office and toilets.
- To provide better energy management within the building
- To provide better heating throughout the building
- To reduce the current maintenance expenditure of the existing boiler
- To provide control to the Pre-school for their direct energy usage and consumption

A4. Benefits

- Better and more efficient energy management
- Finite control of the heating systems in the building
- Reduced maintenance costs over the current system
- To give the preschool which is run and leased by Romsey Mill, control over their heated environment.
- Localised control for the two separate boiler systems to be able to be independently managed to match with the differing operational use and opening times of the two different organisations using the building.
- Ability to bill separate gas usage to Romsey Mill for their direct usage rather than an estimated figure from a shared supply
- Ability for both sides of the building to operate independently
- If one system fails the other side of the building can still function and is not reliant on a shared provision which would close both businesses in the event of a failure and helps protect revenue incomes
- Better reliability over the current boiler provision and cost effective repairs

B1. Capital Costs and Funding

Funding is now requested directly from the Council's Capital Reserves due to the recent change in internal funding. This project would have previously been funded from the Community Centres dedicated repairs and renewals cost centre.

We have been out to several local companies for quotes and have several quotes coming back from commercial suppliers for the works.

The project also includes elements of design work and fees for plans that will have to be submitted for building control and approved and signed off, for the heating and hot water circulation systems.

The costs are quoted to be around £36,000

B1a. VAT implications

There are no VAT implications from this project.

Appendix 2 - Financial case summary

Ross Street Boiler replacement

Project Control Document - Capital Costs & Funding - profiling						
Capital Costs	2015/16	2016/17	2017/18	2018/19	2019/20	Comments
	£	£	£	£	£	
Building Contractor / works	30,000	1,000				16/17 retention money
Purchase of vehicles, plant & Equipment	0	0				
Professional / Consultant Fees	5,000	0				
Other Capital Expenditure						
Total Capital Cost	35,000	1,000	0	0	0	
Capital Income / Funding						
Government Grant	0	0				
Developer Contributions	0	0				
R&R Funding (if applicable)	0	0				
Earmarked Funds	0	0				
Existing Capital Programme	0	0				
Revenue Contributions	0	0				
Total Income	0	0				
Net Capital Bid	35,000	1,000				