

BABERGH DISTRICT COUNCIL

From: Head of Housing	Report Number: M155
To: Strategy Committee	Date of meeting: 14 February 2013

2012/13 CAPITAL PROGRAMME

1. Purpose of Report

This report seeks approval to implement two capital schemes of over £50,000, one from the Council's Housing Revenue Account, and one from the Council's General Fund.

2. Recommendation

- 2.1 That capital expenditure from the Council's Housing Revenue Account and its General Fund be approved to carry out the proposed works outlined in the table in paragraph 8.1 below.

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 There are no financial implications. The proposed works can be funded from revised budgets for 2012/13, and proposed budgets for 2013/14.

4. Risk Management

This report is most closely linked with the Council's Significant Business Risk No.9 – Management of Projects and Programmes.

- 4.2 Other key risks are set out below:

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
Kingfisher Leisure Centre - specialist concrete repairs: Further deterioration in the structural concrete ducting will result in the structural integrity of the pool tank being affected.	Certain	Critical	Undertake specialist concrete repairs

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
<p>Sheltered Units – Supply and installation of solar panels:</p> <p>Power generation will be less than anticipated, thus producing less income</p>	Low	Marginal	Predicted income range is based on the lowest anticipated efficiency

5. Consultations

- 5.1 The proposed structural repair works at Kingfisher Leisure Centre have been discussed with South Suffolk Leisure to ensure the works have a minimal impact on the operations of the facility.

6. Equality Analysis

- 6.1 Nothing applicable

7. Shared Services/Partnership Implications

- 7.1 There are no shared service/partnership implications affecting or resulting from these procurements.

8. Key Information

- 8.1 Approval is required for: the following schemes to proceed from the Council's General Fund and Housing Revenue Account:

Budget (£)	Work Category and Scheme	Estimated Cost (£)	Balance of Budget Remaining after approval of these schemes (£)
<p><u>GENERAL FUND:</u></p> <p>£116,000(2012/13) £112,000(2013/14)</p>	<p>Kingfisher Leisure Centre – Planned Maintenance Specialist concrete repairs to under-floor service ducting</p>	£168,000	<p>Nil (2012/13) £29,000(2013/14)</p>
<p><u>HRA:</u> £418,200 (2012/13 revised)</p>	<p>Sheltered Units – General Improvements: Supply and installation of solar panels</p>	£309,600	Nil

GENERAL FUND SCHEME

Kingfisher Leisure Centre – Specialist concrete repairs to under-floor service ducting

- 8.2 Members may recall that specialist concrete repairs were undertaken in 2002/03 to the structural concrete service ducts surrounding the pool tank.
- 8.3 Recent specialist surveys have revealed that the concrete surfaces have once again deteriorated due to chlorine attack. This has been caused primarily due to water leaks (particularly from the wave machine operation) into the service ducts, which are then exacerbated by the warm air that is continuously pumped through the ducts as part of the air-handling system.
- 8.4 In addition, this time, a large amount of the pipe-work within the ducts (which has been there since the facility opened in 1986) has also deteriorated to a stage where replacement is required.
- 8.5 The following specialist works are therefore now required:
- Sealing of leaks through resin injection to intersect flow paths and fill them
 - Structural resin injection to restore the integrity of the duct structure
 - Concrete and reinforcement repairs using primers and renders
 - Injection of a corrosion inhibitor
 - Application of a protective barrier against chlorine and carbonation attack
 - Replacement of defective service pipe-work
- 8.6 The estimated cost of these works is £168,000 which can be funded from the balance of this year's capital planned maintenance budget, and part of next year's budget.
- 8.7 The works will be carried out between March and July using specialist contractors and South Suffolk Leisure's building services contractor. Works will be programmed in such a way that there will be minimal disruption to the running of the facility. No shut down is envisaged.

HOUSING REVENUE ACCOUNT SCHEME

Sheltered Units - Supply and installation of solar panels

- 8.8 The potential for installing solar/PV within our housing stock has been under consideration for a few years. However when the Government reduced the Feed-in-Tariff by 50% in late 2011 investigations were put on hold as the capital cost of installation was too high.

8.9 The market has now reacted to the reduced tariff payments, with the price of equipment dropping by around 30%. The potential for solar is therefore now worth further consideration.

8.10 Our first proposal is to provide solar installations at our five sheltered units i.e.

- Elizabeth Court
- Playford Court
- Steeds Meadow
- Sydney Brown Court
- William Wood House (this site may not be feasible due to its Listed Building status)

8.11 The objective for each site is not simply to provide solar power for the required consumption, but to generate surplus electricity to produce income. This depends on the roof configuration in terms of its size and orientation to the sun.

8.12 Installation costs have been established and the work will be awarded through the London Housing Consortium Framework Agreement WH1 – Whole House Refurbishment – Workstream 2 – Energy Saving Measures.

8.13 Predicted income over 20 years (after consumption on site) has also been calculated using best and worst scenarios giving the following results:

Site	Approx Size	Installation Cost (£)	Income Range (£)	Surplus Range (£)
Elizabeth Court	32KW	64,000	69,000 – 82,000	5,000 – 18,000
Playford Court	45KW	91,000	98,000 – 118,000	7,000 – 27,000
Steeds Meadow	12KW	24,000	26,000 – 31,000	2,000 – 7,000
Sydney Brown Court	48KW	97,000	105,000 – 126,000	8,000 – 29,000
William Wood House	16KW	33,000	35,000 – 42,000	3,000 – 9,000
Totals		309,000	333,000 – 399,000	25,000 – 90,000
Average			366,000	57,500

8.14 In addition to the above income, which comes direct to the Council from the power company, there is a saving to all the tenants of the units through the consumption of solar-generated electricity.

- 8.15 This is estimated to be a maximum of £5,600 per annum per site. Taking this over 20 years this amounts to £5,600pa x 5 sites x 20 years = £560,000.
- 8.16 This also equates to approximately £180 per tenant per annum.
- 8.17 In summary therefore these proposed installations will cost £309,000 to install. They will return this investment plus a potential surplus of £57,500 to the Council over 20 years.
- 8.18 They will save the tenants of the units approximately £560,000 in electricity charges over a 20-year period.
- 8.19 The project also has the added bonus of saving 31.5 tonnes of CO2 emissions per site per annum i.e. 3,150 tonnes over 20 years.

9. **Appendices**

None

10. **Background Papers**

None

Authorship: Ryan Jones
Corporate Manager - Asset Management
(Operations)

Tel: 01473 825787
Email:ryan.jones@babbergh.gov.uk