

## CAPITAL PLAN LIST C – EVALUATIONS

| <b>Project</b> |   | Central Services: Decarbonising the Council's Estates - Air Source Heat Pumps Serving Fitness Pool at Larkfield Leisure Centre |  |
|----------------|---|--|--|
| 1              | <b>Specification:</b>   |  |  |
|                | (i)   | <b>Purpose of the scheme</b>   | To install air source heat pumps serving the fitness pool at Larkfield Leisure Centre  |
|                | (ii)  | <b>Relevance to National / Council's Objectives</b>  | (a) National: Climate Change.<br>(b) Council: Sustaining a borough which cares for the environment – adhering to the Council's Climate Change Strategy and reducing the use of fossil fuels. |
|                | (iii)   | <b>Targets for judging success</b>   | (a) Successful operation of the heating and ventilation systems on completion.<br>(b) Adherence to the grant conditions.   |
| 2              | <p><b>Description of Project / Design Issues:</b><br/>The Council has been awarded £1,164,760 through the Public Sector Decarbonisation Scheme for the installation of air source heat pumps serving the fitness pool at Larkfield Leisure Centre, which will replace end of life gas fired boilers. The total estimated project cost is £1,323,591. A condition of the grant is that the Council funds the like-for-like replacement cost of the current boilers or 12% of the total project cost, whichever is higher. For this project 12% is the higher figure. It is recommended an allocation of £175,000 is made, leading to a total project budget of £1,339,760.</p> <p>The project needs to have been completed by March 2026.</p> <p>The grant administrators will release funds as and when required, following a payment application from the Council at regular intervals. This means the Council will need to forward fund the works before receiving payment from the grant administrator around 8 weeks later.</p> |  |  |
| 3              | <p><b>Milestones / Risks:</b><br/>Completion of detailed design, procurement of the works, award of contract and completion.<br/>Risks associated with tender returns exceeding the grant award and Council's budget, technical design of complex water and ventilation systems and disruption to the operation of the fitness pool during the course of the works.</p>   |  |  |
| 4              | <p><b>Consultation:</b><br/>Consultation has taken place with the relevant Cabinet Member, internal officers and the Leisure Trust.</p>   |  |  |
| 5              | <p><b>Capital Cost:</b><br/>£1,339,760, of which £1,164,760 will be met from the external grant, and £175,000 will be met from the climate change reserve.</p>  |  |  |

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|   |   |                        |                        |                        |                               |                        |
|---|---|------------------------|------------------------|------------------------|-------------------------------|------------------------|
| 6   | <b>Profiling of Expenditure:</b>  |                        |                        |                        |                               |                        |
|   | <b>2024/25 (£'000)</b>  | <b>2025/26 (£'000)</b> | <b>2026/27 (£'000)</b> | <b>2027/28 (£'000)</b> | <b>2028/29 (£'000)</b>        | <b>2029/30 (£'000)</b> |
|   | <b>£175,000</b>   | <b>£1,164,760</b>      |                        |                        |                               |                        |
| 7   | <b>Capital Renewals Impact:</b><br>None   |                        |                        |                        |                               |                        |
| 8   | <b>Revenue Impact:</b><br>Opportunity cost associated with not receiving interest payments on £175,000 would be £7,000 per annum based on a 4% return.<br><br>The new air source heat pumps will need to be suitably maintained via a service contract. Costs for this will be added to the Council's Building Repairs Expenditure Plan. Some of the cost will be offset by not having to maintain the current gas boilers. |                        |                        |                        |                               |                        |
| 9   | <b>Partnership Funding:</b><br>£1,164,760 of project being funded through the Public Sector Decarbonisation Scheme.   |                        |                        |                        |                               |                        |
| 10  | <b>Project Monitoring / Post Implementation Review:</b><br>Director responsible: Adrian Stanfield.<br>Progress reported to: Cabinet.<br>Post Implementation review to be carried out twelve months after completion.  |                        |                        |                        |                               |                        |
| 11  | <b>Screening for equality impacts:</b>  |                        |                        |                        |                               |                        |
|   | <b>Question</b>   |                        |                        | <b>Answer</b>          | <b>Explanation of impacts</b> |                        |
|   | a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?   |                        |                        | No                     |                               |                        |
|   | b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?   |                        |                        | n/a                    |                               |                        |
| c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above? |   |                        | n/a                    |                        |                               |                        |
| 12  | <b>Recommendation:</b><br><br>Amend the 'Decarbonising the Council's Estate' scheme, currently on the Capital Plan List A, to include the Air Source Heat Pumps at Larkfield Leisure Centre.  |                        |                        |                        |                               |                        |