

Cabinet (1st October 2014)

APPENDIX

Invest to Save Bids

Total Funding Available = £792,470

Ref No	Brief Description of Proposal	Proposer	Investment Required (£)	Annual Saving (£)	Payback Period (Years)	Additional Narrative to Support Proposal	Benefits Realised
1	Caerphilly Leisure Centre - Upgrading of Equipment in Fitness Suite.	Mark S Williams	120,000	34,200	3.5	Caerphilly Leisure Centre is currently the busiest fitness facility within the leisure portfolio. The facility services 600 direct debit members with a total membership base of almost 800. Income from the fitness suite accounts for 40% of the site's total income. There are currently 52 items of fitness equipment that were purchased in 2008 that due to the levels of usage have become unreliable resulting in expensive repairs and poor customer service. The ongoing maintenance and servicing of this equipment to keep it safe and useable is significant. Feedback from customers is that they are finding the equipment in Caerphilly old and unreliable. New equipment will help in the sale of memberships and also aid in the retention of members, as customers perceive they are being 'looked after'.	The fitness suite currently generates annual income of £330k. It is essential that the equipment is upgraded to maintain the existing customer base and attract new clients. There are further benefits to this investment through a proposal to create a fitness suite at Sue Noakes Leisure Centre in partnership with Lewis Girls School and enhance the Fitness Suites at both St Cenydd & Risca Leisure Centres, again protecting valuable income streams and ensuring that the customer experience is not compromised. The creation of the Fitness Suite at Sue Noakes will generate additional income of circa £16k per annum. The upgraded equipment will also Invest to Save repayments will be met through increased income.
2	Public Sector Broadband Aggregation for CCTV.	Rob Hartshorn	195,508	53,138	3.7	This proposal is to cancel current BT circuits in six towns (Bargoed, Blackwood, Caerphilly, Newbridge, Risca, Ystrad Mynach) and provide a microwave link from the cameras in each town back to a suitable PSBA facility.	To link the cameras back to a common network collection point (PSBA) at the library in each town a microwave network would need to be provided. By installing a microwave network at each camera site a BT Redcare circuit is no longer necessary. An initial investment of £196k would be required to upgrade cameras and pay for PSBA implementation costs. However, savings of £53k per annum would be generated through reduced line rental costs.
3	Coed Top Closed Landfill Site - Drainage Works.	Rob Hartshorn	150,000	Cost Avoidance	Cost Avoidance	The Authority currently pays Welsh Water for discharge to the sewer. From the 1st April 2014 charges switched from estimated bills to meter readings. It is anticipated that average monthly bills for sewer discharge will increase to £20k from the current level of £1k. A scheme of drainage works is proposed that will divert a significant proportion of the discharge into a watercourse.	The estimated costs of the drainage works is £150k but it is anticipated that this will significantly reduce the £20k per month payable to Welsh Water.
4	Islwyn Bowls Club - Photovoltaic (PV) Solar Scheme.	Colin Jones	45,397	6,404	7.1	This proposal is to install approximately 120 PV panels on the roof of Islwyn Indoor Bowls Centre at a cost of £45,397. Islwyn Indoor Bowls has asked for assistance from the Authority to bring their running costs down to assist in ensuring their future. The proposal will assist the Centre in bringing down their costs but the Authority will receive greater benefit itself through resale of electricity to the Centre and through FITS and Export tariff. There is a payback rate associated with the investment of just over 7 years. Fit returns are guaranteed by government for a 20 year period.	For the purpose of the payback calculation a 7p/kw recharge rate for the Centre has been used. The cost of the PV scheme taken from an informal quote received by Solartech was valued at £45,397. The annual return is £6,404 for the Authority. Therefore £45,397/£6,404 gives a simple payback period of just over 7 years. This excludes the financial benefit the Centre receives. After year 7 and through to year 20 the Authority will be in clear profit. If all rates were to stay constant the projected profit would be £83,252. In addition the Centre itself would be financially better off across the 20 year period by £23,220. Part of the profit generated will need to be kept aside for maintenance.
5	Street Lighting - Replacement of 55w Low Pressure Sodium Lanterns.	Marcus Lloyd	275,000	28,860	9.5	Caerphilly CBC has 2100 55w low pressure sodium lanterns located in residential areas which are in excess of 20 years old. This bid is to seek funding approval for the replacement of the life expired low pressure sodium lanterns with LED light sources and Central Management System. This equipment is more energy efficient, requiring less routine maintenance visits with the white light increasing the highway users perception of well-being and reducing the fear of crime. Proposals are for 1000 to be replaced with LED lanterns with a Telensa Central management system.	The energy charges associated with the street lighting network have increased by over 100% during the last 10 years and are now £1.5 million per annum. These charges are forecast to continue to rise and together with the £14 per tonne carbon charge make the implementation of modern sources of light production a priority. Replacement of the low pressure sodium lanterns with dimmable LED's will result in an annual reduction to the CCBC energy consumption of 238000 Kwh, 127 tonnes in CO2 emissions and cost savings of £28,860. If this bid is considered to be too high there are options around doing less and the savings would be pro rata. The proposed street lighting lanterns are to be equipped with state of the art light emitting diodes having a service life of 100,000 hours, equating to 22 years of all night operation before further replacement is required.
6	Demolition Works - Park Lane, Caerphilly.	John Thomas	122,000	Cost Avoidance	Cost Avoidance	Demolition of existing buildings that include the former housing office, school house and church hall etc. Total estimated cost of demolition and making good the site is £215k. Of this total £93k will be met from the Urban Renewal budget with the balance of £122k being requested from the Invest to Save Fund.	These works will reduce further financial and H&S liabilities until the site is sold. By carrying out the demolition works costs of circa £45k – £50k p.a. can be avoided through savings in NNDR/insurance/security inspections etc. The demolition will also provide a cleared site that will hopefully benefit future disposal/redevelopment.
7	Caerphilly Day Centre - Replacement of Heating System.	John Thomas	30,000	1,110	27.0	Replace existing free standing independent heating system with energy efficient combi-boiler/radiator heating system. Proposal will reduce on-going heating bills. Anticipate circa 30%+ more energy efficient. Potential for Local Authority Energy Fund (LAEF) contribution.	Increased energy efficiency will result in annual savings of £1,110.
8	Ystrad Mynach Day Centre - Boiler Replacement.	John Thomas	60,000	4,680	12.8	Main Boiler replacement. Existing aged boiler is in need of replacement with a new energy efficient boiler. Anticipate circa 25 – 30% more energy efficient. Potential for LAEF contribution. Replacement will also result in carbon savings and reduce on-going Carbon tax.	Increased energy efficiency will result in annual savings of £4,680.

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9	Brooklands Day Centre - Boiler Replacement.	John Thomas	80,000	6,400	12.5	Main Boiler replacement. Existing aged boiler is in need of replacement with a new energy efficient boiler. Anticipate circa 25 – 30% more energy efficient. Potential for LAEF contribution. Replacement will also result in carbon savings and reduce on-going carbon tax.	Increased energy efficiency will result in annual savings of £6,400.
10	Integrated Transport Unit - Purchase of Replacement Specially Adapted Vehicle for Social Services.	Huw Morgan	67,000	2,500	26.8	A fleet of 16 minibuses is used to transport clients to day centres and activities throughout the county borough. The average age of the fleet is over 9 years old and incurs high maintenance costs and frequent breakdowns as a result (the oldest minibus is 13 years old). The average age of the Authority's fleet overall is just over 3 years. Social Services funded the purchase of one nearly new accessible vehicle from its revenue budget in 2013/14. Furthermore, Cabinet has approved the purchase of 3 brand new vehicles to be funded from Social Services reserves and these are currently being procured. This proposal is to purchase a further new vehicle at a cost of £67,000.	The investment in 1 new minibus will result in reduced maintenance and repair costs. The current average spend per minibus on repairs and maintenance is around £6000 per annum. It is estimated that the annual repair and maintenance of a new minibus will be around £3000 - £4000. With the extended warranty available it is anticipated that a saving of £10000 to £15000 will be realised over a 5 year period. In addition, one-off income of £5,000 is estimated from the sale of an existing minibus.
11	Llancaiach Fawr - Refurbishment of Toilets and Conference Facilities in the Visitor Centre.	Ian MacVicar	60,000	12,000	5.0	Improvements to the toilets and lighting in the Visitor Centre will cost circa £90,000 of which £30,000 can be funded from the DDA budget in 2014/15. The works required include the refurbishment of two sets of male toilets, two sets of female toilets and 2 accessible toilets, one of which needs to be brought up to building regulation standards. In addition to the refurbishment of the toilets, the lighting in the retail area needs significant improvement. The retail offer has been transformed and improved over the last couple of years and is now an integral part of the revenue stream. The existing facilities are of an exceedingly poor quality and not compatible with the conference and wedding business that Llancaiach Fawr is targeting and which is vital to increasing revenue and visitor numbers. The improvements will help ensure the long-term viability of the business. The existing facilities are neither compliant with modern building regulations or DDA requirements and need to be upgraded to meet Legionella regulations.	The Manor House is undergoing a high profile £1m building conservation improvement project in 2014. Improving the visitor facilities at the same time will enhance the improvements to the site and ensure that the public image of this prestigious venue is improved. In addition, Llancaiach Fawr will be hosting the Principality's Urdd Eisteddfod in May 2015 and the improvements are required in view of this national event with over 100,000 visitors expected and the associated national publicity. £50,000 has been identified in the Council's Capital Programme for refurbishment works in 2016/17. However, this will be too late to assist in developing the wedding and conference market and to benefit the Urdd Eisteddfod planned for 2015. The Invest to Save repayments will be funded through increased wedding and conference income and additional retail sales.
12	Purchase of Velocity Patcher	Marcus Lloyd	250,000	250,000	1.0	Velocity patching is a non-conventional method of highway repair with high output yield, anywhere between 50-500sq.m can be achieved in a single day. In addition, this is a single man operation with obvious cost efficiency savings, plus the reduced health and safety risk as the operator remains within the vehicle whilst carrying out duties.	This equipment has significant proven benefits of implementing non-intrusive highway repairs that prolong a carriageway surface by reducing water ingress and the effects of our harsh climatic changes. The proposed investment generates significant revenue savings, which will support the Authority's MTFP.
13	Emporium Car Park, Bargoed - Roof Repairs	Clive Campbell	70,000	20,000	3.5	The Emporium Car Park is located on the roof of No 41 High Street, Bargoed. No 41 High Street is currently trading as a Snooker Hall. The Snooker Hall is owned and run by the owner of the building, which includes the car park area located on the roof. This roof space is leased to the Local Authority for a nominal charge of £1 per annum for a lease period of 999 years from the 8th September 1986. The lease determines that the Council must pay for any roof repairs as part of their lease agreement. The Emporium Car park has been closed for 18 months due to the need to carry out repairs to the roof. The repairs are not covered by our insurance as they are deemed to be maintenance and not structural failure. The annual potential income of this parking area, which has the capacity to add an additional 20 parking spaces, is being lost to the Authority as it is currently unavailable for car parking. At full capacity the area would generate circa an additional £20k income per annum.	The £70k funding is required to undertake full and permanent repairs to the roof. This investment could be recovered over 3 to 4 years if the re-opened car park realised the anticipated £20k income per annum. There is a lower cost option at £35k but this does not give the same whole life cost benefits and further maintenance would be likely within 4 to 6 years (compared with a lifetime expectancy of at least 10 to 12 years with the more expensive option). Doing nothing results in ongoing risk to the Authority. Under the current and binding lease the Council has a duty to effect the repairs to make sure that the Snooker Hall and its contents are not damaged. The delay in carrying out the repairs will result in more extensive repairs being required at a later date.
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