Transformation Programme
Project Proposal Form

1. Proposal Details

BDC TP Reference	BDC/TP/PT/0**
Project Name	Combined Heat & Power (CHP) The Arc
Project Owner / contact details (Sponsor)	Matt Broughton 2210
Project Manager and contact details (if different from above)	Wayne Carter x2356 wayne.carter@bolsover.gov.uk
Proposal	To install CHP unit at The Arc to reduce energy costs and carbon usage
Date Received	08/01/19
Transformation Governance Group Consideration Date	
Date Passed to Project Owner	
Date to Complete and Return Form (to Transformation@bolsover.gov.uk)	
Date Completed and Returned by Project Owner	

2. Project Owner Considerations Overview:
What if we do, what if we don't…

Political: Is there political will? What policy factors need to be considered from the various perspectives (National, Regional, Local Govt; Partner Agencies)?	The installation meets current Council policy particularly transformation and carbon reduction
Economic: Are there financial opportunities or barriers to the proposal's delivery? What is the likely saving?	The installation of CHP will significantly save on utility costs and reduce carbon. Indicative figures have been provided by Bosch, who have modelled the impact of an installation based upon our 2018 actual energy usage at The Arc. The outcome of their modelling suggests: • CHP Capital Investment = £175,000 • **Reduction in Carbon = 30% (282 tonnes/annum)** • **Reduction in energy costs = 56%** • **Cost saving per annum = £115,000** • Payback period = 1.5yrs It should be noted that the capital investment costs are based upon purchase of the plant but excludes installation. It is prudent to assume and installation cost of £25,000. Therefore, forecast budget cost to be £200,000 resulting in a payback period under 2 years.

Social: Are there benefits to the local community or sectors (e.g. residents, businesses, staff) or likely to be arising concerns? Will the issue be affected by existing or changing demographics? Is any further consultation required?	The investment in CHP reduces the Council's carbon footprint and demonstrates leadership in the community, particularly at a time when the Carbon Reduction Plan is being launched.
Technological: Are there ICT, logistical or transport solutions or restrictions? Can barriers be overcome?	The installation of the plant has not been considered at this stage. Before an order is placed and during the tender process, a full site survey will be required to determine the accurate, installation cost, location and wider impact at The Arc.
Legal: Is the activity required by law? Are there restrictions to what can be achieved? Is Planning Permission or other permissions or licences required?	Other than normal customer/supplier contract, no legal issues.
Environmental: Are there internal or external factors which need to be considered such as, weather, climate, geographical position, climate change, pollution, energy efficiency?	Energy efficiency and reduction in carbon footprint as highlighted above.

3. Need and Approach

Is there a clear Justification of Need?	Transformation Programme document and MTFP forecast of £1m revenue gap.
How does the proposal fit with internal/external Strategic Plans (Corporate Plan, Service Plans etc.)?	Aligns with national agenda and Corporate Plan
Are there another options that require investigation?	None

4. Resource Requirements

Financial: • What are the likely costs? • Is there a funding requirement for further exploration of idea / feasibility study? Is a business plan required?	As outlined above, a budget cost of £200,000 will be required to fund the installation. Based upon the forecast savings outlined above the payback period is under 2 years.
Assets: • Can this be delivered through existing physical/capital resources? • Or, are additional resources required? If so, estimate costs in Financial section.	No
Staffing: • Can this be delivered through existing staffing resources? • Or, are additional resources required? If so, estimate costs in Financial section. • Is additional training required?	No additional resources required up to the point of installation. Some training may be required on how the CHP unit operates with the existing plant.
Communication:	None

5. Conclusions

Recommendation of how to proceed: (Progress; Do not Progress; Investigate Further)	The forecast expenditure is above the key decision limit of £150,000 therefore, an Executive decision will be required to progress the project.
What will be delivered and when? Financial outcomes? Environmental Outcomes? Process improvement? Service improvement? **Note: Must be measurable**	• A forecast annual saving of £115,000 per annum based upon Q3 2018 energy costs. • Reduction in Carbon = 30% (282 tonnes/annum)
Implementation: When could activity commence? How long will it take for benefits to be realised?	6 months following Executive approval.
Risks: What will be the key risks and mitigation required?	The forecast savings are based on professional, external advice, they are forecasts and actual outcomes may vary. See attached the full Bosch analysis