

**Business Case – AR012 M&E Survey of Operational Sites**

**Project Initiation Stage**

<b>Project/Item Title</b>	M&E Survey of Operational Sites		<b>Version</b>	<b>1.0</b>
<b>Corporate Head</b>	Alex Williams	<b>Service Area</b>	Assets & Regen	
<b>Service Committee to Approve Budget</b>	CMC			
<b>Anticipated Cost of Proposal (Capital)</b>		<b>Anticipated Cost Proposal (Revenue)</b>	£60,000	
<b>To be completed for Projects only (AR012)</b>				
<b>Type of Project</b>	Improvement	<b>Project Duration</b>	12 months	
<b>Proposed Project Start Date</b>	TBA	<b>Proposed Project End Date</b>	TBA	

**Business Case Context**

**Background**

*Describe the purpose of the Business Case, what benefits are expected to be delivered or what problem will be solved (What is wrong with the status quo? What are the drivers for change?). Is the scheme a result of legal/statutory requirements or a stakeholder consultation?*

Currently the Council owns and managed approx. 25 operational site, which comprises of park toilets, day centres, cemeteries, halls, depots, etc. all of which have some kind of electrical and mechanical equipment that is needed operationally. As these assets have regular compliance checks undertaken and obviously defects are highlighted and rectified.

There has never been a five year plan undertaken for the lifecycles of the plant and equipment within these buildings and therefore, there is no plan in place of when the council should be planning replacement of the equipment within these building enabling the Council to reflect these costs in the MTFs to ensure that we have fit for purpose properties that are delivering some key services to residents.

In order to better understand the condition of the plant and equipment within these operational sites, there is a need to undertake a condition survey of these individual sites by a qualified electrical and mechanical engineers to provide a five year plan on the condition of these equipment together with costings. This will then bring science to our planned expenditure along with the fabric of these buildings and therefore a more meaningful cost for forward planning. Capital investment required as a result of the survey will be subject to an in-year supplemental capital request once requirements and costs are known.

As this exercise has never been undertaken and previously the regime was 'fix it when it breaks' is not a feasible to manage any sort of building. All the buildings appear to be neglected in terms of the age of the equipment and turning a blind eye is not best practice. Therefore, it is essential for Asset & Regen to undertake this piece of work to better manage the portfolio on behalf of the Council.

**Strategic Links - relate this Business Case to RBC Corporate Strategies and Corporate Values**

<b>Corporate Strategies</b>	<b>Describe how this Business Case meets / contributes to the Corporate Business Plan through each of the Corporate Strategies.</b> - Delete those not applicable
<b>Climate Change Strategy</b> <i>Reducing Carbon emissions from the Council's operations and the wider Runnymede community .</i>	<p>Currently the Council owns and manages approx. 25 operational site. There has never been a five year plan undertaken for the lifecycles of the plant and equipment within these buildings and therefore, there is no plan in place of when the council should be planning replacement of the equipment within these buildings, and so enabling the Council to reflect these costs in the MTFs, and to ensure that we have fit for purpose properties that are delivering some key services to residents.</p> <p>This survey would provide the council with a better financial understanding of the condition of their assets and forward plan cost required to maintain and improve their assets.</p> <p>This supports the Council's Climate Change Strategy and Economic Development Strategy.</p>
<b>Organisational Development Strategy</b> <i>Enable Officers and Members to perform their duties to the best of their ability and make Runnymede Borough Council the employer of choice for local people.</i>	
<b>Economic Development Strategy</b> <i>Ensuring that the Borough continues to be a leading economy in Surrey and the wider sub-region.</i>	
<b>Empowering the Community Strategy</b> <i>Evidence Based Decision Making, Listening to residents, Enabling Communities to help themselves and to take control of services or plans for their areas, Working effectively with partner organisations, Dealing with inequalities.</i>	
<b>Health and Wellbeing Strategy</b> <i>Support the delivery of a range of services and functions to improve outcomes for residents and their quality of life.</i>	
<b>Corporate Values</b>	<b>Describe where this Business Case fits in our Corporate Values - Delete those not applicable</b>
<b>People-focussed</b> – we will put people at the heart of what we do and they will be able to deal with us easily.	
<b>Passionate</b> – we will empower our staff to be passionate about all we do.	
<b>Performance driven</b> – we will strive for excellence in all we do.	
<b>Innovative</b> – we will aim to creatively improve our services and be open to new ways of providing services.	
<b>Promoting equality and diversity</b> – we believe in fairness as well as maintaining a diverse workforce so we can draw upon a wide range of views and experiences to meet the changing needs of our communities.	
<b>Delivering excellent value for money</b> – we will strive to be as efficient and effective as possible.	
<b>Collaborative</b> – we will work together and with others to deliver positive outcomes for our communities.	
<b>Transparent</b> – we will be open and honest to all about what we do.	

## Business Case – AR012 M&E Survey of Operational Sites

Project Initiation Stage

### List your Business Case Objectives, ensuring they are Specific, Measurable, Achievable, Realistic and Timely

Appoint an external M&E consultant to provide a five year condition survey and costing of all Operational Building and then plug these costs into the planned budgets and MTFS some replacement works can be classed as capital if they can be shown as improvements and add value to the asset.

### List the Constraints or Parameters in which this Business Case will operate

N/A

### List the Outcomes and Benefits (including efficiency gains) you expect the scheme to achieve

This would then provide the council with a better financial understanding of the condition of their assets and forward plan cost required to maintain and improve their assets.

### Appraisal of Business Options (must include evaluation of a 'do nothing' option)

Option 1 (preferred option):

Description

Describe the preferred option and why. Describe the current position and the consequences/reasons that do nothing is not a viable option.

Undertake survey of all M&E plant and equipment.

Capital investment will definitely be required as a result of the survey will be subject to an in-year supplemental capital request once requirements and costs are known.

Option 2

Continue with the current situation with reactive repairs and replacement with no cost certainty or condition of plant and equipment and possibly end in closure of asset if it doesn't comply with the energy legislation along with building safety act 2022

Impact of do nothing: Failure of not doing these surveys and ascertaining cost of replacement/refurbishment/repair could mean that the operation estate will fail and no longer be able to be opened to serve our residents and holding assets that are not used would also have a financial impact on the Council,

Benefits (comparison to other options considered)

Consider any tangible benefits of the Preferred Option, consider benefits such as income generation, savings, great efficiency, compliance with legislation / industry standards – soft benefits, reputation, residents' satisfaction, perception of Council

Users of the building will benefit with certainty of good equipment and plant in good working order. Our H&S risks will be greatly reduces. Council will have a good oversight of the condition of all the assets and better plan for future works.

Advantages to Service Area (preferred option)	Disadvantages to Service Area (preferred option)
Reduced reactive maintenance cost and Council in better position as to their Assets.	Cannot be undertaken by existing staff therefore there is a requirement to use external contractors for the survey with costs that are not currently budgeted for.
Costs to Organisation (preferred option)	Benefits to Organisation (preferred option)
£60K Staff resources in Procurement and Legal	Low maintenance costs over the next 5-10 years and a sustainable operational estate which will meet our ambition to be net carbon zero

### Resource Requirements

#### Staffing Appraisal (preferred option):

Outline the expected staffing / resourcing requirements for the preferred option in the table below, think about resources required in your team and others. This should include job titles, number of hours worked and salary.

Existing Staffing	New RBC Staff Requested	New External Staff Requested
Facilities and Contracts Manager and Senior building and projects surveyor	None	Consultants only

Add any costs into the financial appraisal table.

### FINANCIAL APPRAISAL

#### Finance Appraisal (preferred option) - To be completed with the Finance Department:

Describe the financial and resource implications of this option. See Financial Appraisal below to capture numbers.

How will it be financed? Is a Supplementary Revenue Estimate required? Can it be resourced via a Virement (including areas other than your own)?

Is there other funding available? Has funding been agreed? Demonstrate how the council can receive a return on investment, whether cashable, cost avoidance or quantifying tangible

benefits – **Seek advice from your accountant. Business cases will not be considered by the Chief Executive unless a full financial appraisal has been agreed by the Accountancy Team.**

Explain how the cost estimate has been drawn up e.g. based on the costs of a similar project/item; based on quotes from suppliers etc.:	£60K estimated only needs to be tendered
Please explain how you have considered the VAT implications of the project/item:	VAT not included in above but services so will need to
If this project involves building or refurbishment work within corporate assets has the project/work been consulted on and agreed by the Corporate Head of Strategic Land and Property Assets? Please give details.	Yes

### CAPITAL COSTS

Capital Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	-	-	-	-	-	17 -

## Business Case – AR012 M&E Survey of Operational Sites

Project Initiation Stage

Capital Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL	-	-	-	-	-	-
<b>Total Capital Income</b>	-	-	-	-	-	-
<b>Net Capital Outlay</b>	-	-	-	-	-	-

### REVENUE COSTS

Revenue Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Surveys are revenue expenditure but works to improve asset can be capitalised	60,000					
<b>Total Revenue Expenditure</b>	60,000	-	-	-	-	-

**Less:** Savings to existing budget (Please specify)

Revenue Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
<b>Total Revenue Income</b>	-	-	-	-	-	-
<b>Net change to revenue budgets</b>	60,000	0	0	0	0	0

### Business Case / Risks

Outline the risks (Managerial, Financial, Operational etc.) to RBC if delivering the preferred option. A risk summary only is required here.

Risk Description	Mitigation / Help needed
Buildings could close and not compliant	Works will have to be done
Alternative facilities found	Additional pressure on resources

Impact - if improvements are made will only assist our carbon footprint and ensure we working to a sustainable operational estate

### Authorisation

Approved by Corporate Head of Finance	Paul French	Date	01/12/23
Approved by Corporate Leadership Team	Yes	Date	19/10/22
		Priority	MUST
Committee Report to be presented to:		Date	