

RECOMMENDED that:

- a) A virement for £6,400 from the 2020/21 Energy Saving and Environmental Projects budget for the replacement auger is agreed;
- b) An exception to the Council's contract standing orders be approved due to the specialist and urgent nature of these works

Purpose

To expedite the installation of a replacement auger for the biomass boiler at Laura Trott Leisure Centre.

The Project

The Council currently has a biomass boiler at Laura Trott Leisure Centre that is underutilised due to faults with the auger that supplies the pellets to the boiler.

It has been repaired in the past, however it requires a bespoke replacement system that is fit for purpose. The current auger is a completely flexible unit that means pellets become stuck before they can reach the burner. This results in a blockage that requires the entire pellet store (several tonnes of pellets) to be removed at significant cost to the Council.

The issues with the auger have meant the biomass fully has not been fully used for six months without a breakdown and it is currently unusable until resolved. By completely replacing the auger with a two stage system there will be little downtime and it will allow better access for maintenance if an issue were to occur.

By utilising the biomass all year round the Council would also see a return to energy and emissions savings from using less natural gas to heat the building. Until the auger is replaced the Council will also not receive its Renewable Heat Incentive (RHI) income. In the 2019/20 calendar year the RHI income was £17,039.40 and if the boiler is running with less downtime as it was in 2015/16 the payment was £30,457.80.

Due to the specialist and bespoke nature of the work required an exemption to the contract standing orders is requested to allow the Council's approved contractor – Myriad – to carry out the work. Myriad has taken over the maintenance of the biomass boiler from a previous contractor who was unable to resolve the issues and has come up with a bespoke solution that is the most cost effective and will meet the standards required.

Capital expenditure to start this project is £5,799.05 for the replacement auger with a total cost of £6,400 which includes a 10% contingency of £580 and it is proposed to use the Energy Saving and Environmental Projects budget which currently contains £50,000.

Works Programme

To replace the auger the projected timeline is estimated at four to six weeks from raising the order to delivery and installation.

Financial, Legal and Risk Management Implications

Continued downtime from the biomass boiler will mean loss of income from Renewable Heat Incentive (RHI) until it is resolved and increased emissions from using the natural gas boilers.

In the 2019/20 calendar year the RHI income was £17,039.40 and if the boiler is running with less downtime as it was in 2015/16 the payment was £30,457.80.

The works, costing £6,378.95, have not been forecast in the current 2020/21 financial year and funding is required from the Energy Saving and Environmental Projects budget which currently has contains £50,000.

Alternative Options Considered and Rejected

Considered all options.

Contribution to the Council's Objectives

Promote development that is adaptable to a changing climate and also reduces greenhouse gas emissions.

Manage the Council's assets efficiently to maximise returns and contribute to Council priorities.

Improve the energy efficiency of Council-owned buildings.

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Action reported to the Cabinet on:
