

**New schemes and Future Years Variations to be added to the Capital Programme for 2023/24 to be Approved**

<b>New Capital Project Approval Request</b>	
<b>Directorate:</b>	Economy Environment & Culture
<b>Unit:</b>	Estates Team, Property & Design
<b>Project Title:</b>	3 <sup>rd</sup> & 4 <sup>th</sup> Floor Barts House
<b>Total Project Cost (All Years) £:</b>	Total works costs estimated at £558,000 includes two elements of work. Contribution to the tenant's refit of £408,000. Landlords works for the installation of lift lobbies to the 1 <sup>st</sup> and 2 <sup>nd</sup> floors and improvements to the Black Lion Street entrance estimated at £150,000.

<b>Purpose, Benefits &amp; Risks:</b>
<p>The 3<sup>rd</sup> and 4<sup>th</sup> floors of Bartholomew House are being let out to a flex operator. A marketing exercise has been completed, 5 tenders submitted and evaluated and a 15-year lease has been negotiated with Freedom Works. As part of the terms agreed the council is to pay a contribution of £408,000 to the tenants fit out (NB: This was the lowest contribution of the shortlisted tenders and contributed to Freedom Works being the successful bid).</p> <p>The rent paid will be based on turnover, subject to a 9-month rent free period. There is a guaranteed minimum rent of £122,423, though the anticipated turnover rent will be more than double this based on 80% occupancy.</p> <p>The council's contribution to the fit out works will be paid in 4 instalments over the period of the fitout and on receipt of invoices and confirmation of works completed.</p> <p>The tenants fit out and the council's contribution to the fit out will be documented in an Agreement for Lease (AfL) albeit an Early Access Licence is also being granted to allow the tenant to commence the works in advance of the AfL completing.</p> <p>The lease will include a break option on the 5<sup>th</sup> and 10<sup>th</sup> anniversary of the lease. In the event the break option is triggered by the tenant the council would seek to re-let the space to another flex operator who would benefit from the fitout completed.</p> <p>There are also landlord's works to be completed which have not yet been costed. These are the installation of lift lobbies to the 1<sup>st</sup> and 2<sup>nd</sup> floors and improvements to the Black Lion Street entrance. An estimated sum of £150,000 will be added to the scheme total.</p>

<b>Capital Expenditure Profile (£'000):</b>						
<b>Funding Source (see guidance below)</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total All Years</b>

**Appendix 7 – New Capital Schemes**

Service Borrowing	558					558
<b>Total Estimated Costs &amp; Fees</b>	<b>558</b>					<b>558</b>

**Financial Implications:**  
This is an invest-to-save scheme which will be funded from borrowing with the financing costs repaid over a 15-year period and met from service revenue income generation as detailed above.

<b>New Capital Project Approval Request</b>	
<b>Directorate:</b>	Economy, Environment & Culture
<b>Unit:</b>	Estates Team, Property & Design
<b>Project Title:</b>	South Downs Riding School – Environmental Management
<b>Total Project Cost (All Years) £:</b>	£165,000

<b>Purpose, Benefits &amp; Risks:</b>
The funding is required to cover the cost of the removal of a manure heap which is known to contain asbestos. The manure heap is on sloping land and requires specialist machinery to remove. Once removed the contents will be separated and contaminated content disposed of at an appropriate landfill. The manure heap cannot be left in situ. The exact cost of the project is not known and is estimated based on a daily rate. The expenditure has been profiled for 2023/24 but the project may have to be completed in Spring 24 if weather conditions do not allow safe removal. A project manager will be appointed to ensure costs are minimised. The works will enhance the land use and potentially increase the value and availability of the site.

<b>Capital Expenditure Profile (£'000):</b>						
<b>Funding Source (see guidance below)</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total All Years</b>
Borrowing	165					165
<b>Total Estimated Costs &amp; Fees</b>	<b>165</b>					<b>165</b>

<b>Financial Implications:</b>
The works will be funded through corporate capital borrowing and met through the council's corporate revenue provision.

<b>New Capital Project Approval Request</b>	
<b>Directorate:</b>	Economy, Environment & Culture
<b>Unit:</b>	Property & Design
<b>Project Title:</b>	Roof Mounted Solar PV on Corporate Landlord & Leisure Sites
<b>Total Project Cost (All Years) £:</b>	£733,000

**Purpose, Benefits & Risks:**

Installation of roof-mounted Solar PV arrays to 11 corporate and 3 leisure sites (supported by Power Purchase Agreements)

The expected benefits of commissioning these installations are as follows:

- More than doubling the existing renewable generation capacity of the existing corporate Solar PV Installations
- Year 1 Carbon Savings of 107 tonnes CO<sub>2</sub>e, and a predicted lifetime savings of 670 Tonnes CO<sub>2</sub>e
- 560 mWh Per annum of renewable electricity yield which will not be exposed to the volatility of the energy market. This will result in Year 1 net revenue savings of £30,000 10-year revenue savings of over £430,000 and predicted lifetime savings of £1.1m

A summary of each proposed site is shown below indicating estimated Capital Expenditure, 10-year revenue savings and Lifetime CO<sub>2</sub>e is shown below:

<b>Building</b>	<b>Estimated Capital Installation Cost</b>	<b>10 Year Net Revenue Income</b>	<b>Est CO<sub>2</sub>e Saving 20 Years (Tonnes)</b>
Acorn Nursery	£17,952	£8,575	16.3
Wayfield Avenue Resource Centre	£67,584	£56,033	58.9
Ireland Lodge	£92,928	£63,390	87.3
Hollingdean Childrens Centre	£34,492	£26,550	32.1
Wellington House	£31,680	£16,263	27.1
Portslade Sports Centre	£86,724	£38,937	81.6
Prince Regent Swimming Pool	£180,220	£98,952	167.5
Moulsecoomb Sports Centre	£78,672	£27,322	66.3
Portslade Town Hall	£22,810	£17,352	21.2
55 Drove Road	£40,960	£20,742	38.1
Portslade Library	£22,018	£12,221	20.5
Roundabout Nursery	£20,592	£15,130	19.1
Woodingdean Library	£18,744	£10,187	17.4

Appendix 7 – New Capital Schemes

Portslade Hub	£17,952	£21,936	17.1	
<b>Totals</b>	<b>£733,328</b>	<b>£433,588</b>	<b>670.2</b>	

<b>Capital Expenditure Profile (£'000):</b>						
<b>Funding Source (see guidance below)</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Total All Years</b>
Borrowing	733					733
<b>Total Estimated Costs &amp; Fees</b>	<b>733</b>					<b>733</b>

<b>Financial Implications:</b>	
<p>The project will be met through borrowing as part of the Carbon Neutral Fund but with a requirement that the financing costs of borrowing will be funded from savings generated from the investment. A total of £3.500m was made available from the Carbon Neutral Fund toward 'Carbon Reduction Measures to Operational Buildings' and this investment will draw down from that funding.</p> <ul style="list-style-type: none"> <li>• Business cases indicate that all sites will achieve a straight-line payback in less than 10 Years &amp; an aggregate Internal Rate of Return (IRR) of 13% representing a good investment opportunity.</li> <li>• Net Revenue figures include deductions for Ongoing Maintenance &amp; Cleaning.</li> <li>• Capital costs are based on pre-tender estimates and all business cases will be reviewed upon receipt of confirmed pricing.</li> </ul>	

