

BRECKLAND COUNCIL FINANCIAL COMMENTS & APPRAISAL

THIS DOCUMENT PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED REPORT

FROM: Matthew Fernandez-Graham
REPORT: Leisure Centres Decarbonisation Project
REPORT DATE: 3 July 2023

Option 1	£	£	£	£	£	£	£	£	£	£	£	£
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		
Revenue												
Costs												
Cost Savings	£0	(77,169)	(77,169)	(77,169)	(77,169)	(77,169)	(77,169)	(77,169)	(77,169)	(77,169)	(77,169)	(694,521)
Capital												
Costs												
Works	£238,675	£0	0	0	0	0	0	0	0	0	0	£238,675
Cumulative Net Saving over 10 years	£238,675	£161,506	£84,337	£7,168	(70,001)	(147,170)	(224,339)	(301,508)	(378,677)	(455,846)	(455,846)	
Option 2												
	£	£	£	£	£	£	£	£	£	£	£	£
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		
Revenue												
Costs												
Cost Savings	£0	(116,171)	(116,171)	(116,171)	(116,171)	(116,171)	(116,171)	(116,171)	(116,171)	(116,171)	(116,171)	(1,045,539)
Capital												
Costs												
Works	£528,524	£0	0	0	0	0	0	0	0	0	0	£528,524
Cumulative Net Saving over 10 years	£528,524	£412,353	£296,182	£180,011	£63,840	(52,331)	(168,502)	(284,673)	(400,844)	(517,015)	(517,015)	
Option 3												
	£	£	£	£	£	£	£	£	£	£	£	£
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		
Revenue												
Costs												
Cost Savings	£0	(122,178)	(122,178)	(122,178)	(122,178)	(122,178)	(122,178)	(122,178)	(122,178)	(122,178)	(122,178)	(1,099,602)
Capital												
Costs												
Works	£1,016,215	£0	0	0	0	0	0	0	0	0	0	£1,016,215
Cumulative Net Saving over 10 years	£1,016,215	£894,037	£771,859	£649,681	£527,503	£405,325	£283,147	£160,969	£38,791	(83,387)	(83,387)	

Financial Services Comments

The report presents 3 options for work to reduce carbon emissions and energy costs at the Leisure Centres in Dereham and Thetford. The capital costs and revenue savings for each option are shown in the table above over the 10-year capital planning timescale. Option 2 produces the largest net cash saving over the 10-year planning period and is the recommended option. Option 1 has lower capital cost, but produces a slightly lower net cash saving and generates noticeably lower revenue savings. Option 3 does not generate a net saving until Year 10.

Rounding up, it is proposed to earmark £530,000 from the Growth and Investment (G&I) reserve to fund the capital cost as it will generate a revenue saving.

Financial Risk

Capital costs are best estimates and may vary when the works are procured.

This appraisal is valid for 1 month from issue date

If there are changes to the original report it may invalidate this document & must be reviewed by Finance.

22/06/2023

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