

Project Justification Form

Project: Magnetic device to reduce gas consumption of boilers

Service: Sustainability

Officer Responsible for Project: Fotini Kallipoliti

Identification of Need:

This project aims to reduce boiler gas consumption at the Burys by using magnetic technology to enhance the combustion process.

It is an invest-to-save project that also contributes to reducing carbon emissions in accordance to Waverley's Carbon Management Plan. If this product proves effective it could be rolled out to other buildings.

More specifically, the investment required for this project is £5,600 and the proposed saving three savings scenarios are presented below.

- A 6% reduction will save £940 and will pay back in 6 years (guaranteed)
- A 8% reduction will save £1,250 and will pay back in 4.6 years
- A 10% reduction will save £1,560 and will pay back in 3.7 years

The predicted gas savings from the installation on the Magnatech technology at the Burys is of the region of 10%. The product comes with a money back guarantee of 6% saving, protecting Waverley against potential underperformance.

This payback is calculated as a snapshot of today's gas prices and does not consider increase in gas prices that are predicted to rise between 3% - 5% annually.

Demonstrate how this scheme would help achieve the Corporate Strategy objectives:

Value for money, through the efficient operation of our facilities and future proofing our buildings from rising energy prices.

Promoting Environmental Sustainability through energy and carbon reductions.
Supporting the Carbon Management Plan.

Cross Reference to Service Plan:

Reduce Waverley's own emissions by implementing the Carbon Management Plan.
Target is 25% carbon reductions by 2015.

Progress to date (including position regarding planning permission):

Quote has been received and company references have been sought.

Will the Corporate Project Management Toolkit be used? Yes / No

If no, how will the project be managed?

Not required

Key Project target dates and milestones:

This project will be delivered before the end of March 2014

Capital cost (across years):

	Year 1 £	Year 2 £	Year 3 £	Total £
Land				
Contract Costs				
Fees				
Vehicles, Plant and Equipment	5,600			
Contingency				
Other (specify) -				
Total Capital Cost	5,600			

How capital cost will be funded:

	Year 1 £	Year 2 £	Year 3 £	Total £
WBC Capital	5,600			
S106				
External Funding (specify) -				
Total Funding	5,600			

Ongoing Revenue Cost and/or savings (Invest to Save):

	Year 1 £	Year 2 £	Year 3 £	Total £
Staffing				
Other costs (specify) -				
Total Revenue Costs	0	0	0	0
Less				
Maintenance	0			
Gas savings based on 10% saving	1,560			
Estimated annual revenue effect	1,560			

Return on Capital and Payback (if appropriate):

	£		
Forecast Returns		Return on Capital	26%
Capital Cost	5,600		
Forecast Savings	1,560	Payback	3.7 Years

Identify any efficiency gains resulting from the project:

Case studies of other users of this technology have indicated savings of 9-10%. A decreased saving of 8% will payback in 4.6 years which still makes the project viable.

Identify any risks which may effect the project

A 6% saving is guaranteed therefore for savings less than that Waverley will get the money back.

Environmental Impact, including Carbon Implications:

The proposed project will reduce the total office gas consumption between 6% and 10%.

11 tonnes of CO2

Equality impact assessment carried out? N/A

How will the project be procured?

This appears to be the only product in the market that would offer the guarantee of 6% it is therefore suggested that Magnatech Ltd is the company to supply and install.

Is there scope for sharing/joint work? No

Completed by: Fotini Kallipoliti

Date:
15/12/2014