

REPORT FROM:	DIRECTOR OF RESOURCES
TO:	COUNCIL
DATE:	19th December 2024

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Ace Centre air conditioning system

PURPOSE OF REPORT:

The purpose of this report is to request that Council approve the addition of a new partially funded scheme to the capital programme. The scheme is to renew the air conditioning system in ACE Centre.

RECOMMENDATIONS

That Council approve:

- (1) the addition to the capital programme of the Ace Centre air conditioning system scheme, at a total cost of £150k, is approved.
- (2) a supplementary capital estimate (unfunded) to be spent during 2024/25 of £104k and accepts the contribution from Nelson & Colne College of £46k (funded by Town Deal grant).

REASONS FOR RECOMMENDATIONS

- (1) To provide fully operational air conditioning as per required design performance.
- (2) To enable the Advanced Digital Skills Hub Spoke to come to fruition.

ISSUE

- 1.1 The Council's ambition to regenerate Nelson includes an Advanced Digital Skills Hub. The Hub is one of seven projects funded through the £25m Nelson Town Deal programme. Under the programme, £2.3m of Levelling Up funding is being used to provide digital upskilling and retraining opportunities.

- 1.2 In addition to enhanced facilities at Nelson and Colne College, a new spoke facility located in the ACE Centre in Nelson will provide access to digital skills training for adult learners across Pendle.
- 1.3 The spoke facility will help to provide specialist training, forging a strong connection between the College and the centre of Nelson. The spoke will play a vital part in creating a more vibrant town centre and will provide new opportunities for local people by establishing links between local employers and learners.'
- 1.4 The area of the Ace Centre owned by the Council was mothballed during the covid period and not fully serviced. As part of the building recommissioning process during September 2024 a specialist service and inspection of the air conditioning system was undertaken to fully ascertain the condition of the system.
- 1.5 The inspection established that the majority of the system is not operational / end of serviceable life and requires renewal. The system had a design life expectancy of 15 years. The plant is now 16 years old and as experienced on the 3rd and 4th floor (Business First Office Suites), replacement parts for the indoor units are no longer available.
- 1.6 A ten-year lease to the college for the ground (excluding the Bistro area) and first floor is currently being negotiated and works have been ongoing to prepare the Ace Centre for use. Once the lease is signed renewals and replacements, ongoing maintenance and running costs will be covered by the College either directly or by a service charge from the landlord (Business First North West). The Council retains liability for the Bistro area.

Overview

- 2.1 Officers have sought professional advice, which has recommended that the full system needs replacing.
- 2.2 The Council has received an estimate for the works of £150,000

Item	Cost
Install 2 new VRF systems, one for the ground floor and one for half of the first floor with R32 refrigerant. Each unit will be supplied with their own individual controller. Total cost with central controller system	£124,481
De-gassing and removal of the existing air conditioning units. Works include fully de-gassing of the systems / removal of the indoor and outdoor units from site.	£4,750
Building works to provide access for removal of existing and installation of new plant / ductwork etc	£10,000
Contingency	£10,769
Total Cost	£150,000

- 2.3 The Executive received a report in November outlining the scheme, and resolved to recommend to Council its addition to the capital programme and the associated supplementary capital estimate. The Executive also approved the award of the contract for installation subject to Council approving the recommendations in this report.

IMPLICATIONS

Policy: None

Financial: This report requests an unfunded addition to the 2024/25 capital programme of £104k. Officers will give consideration as to the optimum funding arrangements, which may include: use of capital receipts, internal borrowing and any other requirements for PWLB borrowing. It is important to note that currently for each £100k borrowed there is an annual £5k revenue impact over the life of the asset.

Legal: None

Risk Management: The scheme will be project managed by the in-house property team.

Health and Safety: None

Sustainability: New system will provide more efficient system including new 'eco friendly' refrigerant gas (existing R410a refrigerant is due to be phased out in next couple of years and will not be able to be used).

Community Safety: NA

Equality and Diversity: NA

APPENDICES: N/A

LIST OF BACKGROUND PAPERS: N/A