

## Executive Team Briefing Paper

**From:** James Carson – Energy Manager, Estate Services,  
Holywell Hospital

**To:** Executive Team

**Date:** 16<sup>th</sup> November 2021

**Subject:** Mid Ulster Hospital Boiler Decentralisation and Oil to  
Gas Conversion

**Action Required:** Presentation of Revised Business Case to gain approval  
for onward presentation at Trust Board for sign-off.

**Background:** The provision of heating and hot water services to the hospital are essential services, and there is significant risk with the provision of these services from the current ageing steam boilers. The steam boiler plant at Mid Ulster Hospital has exceeded its life expectancy and is at risk of failing. The installation is extremely inefficient and the estimated efficiency the boiler plant is 61%. The steam distribution system has high distribution losses due to the temperatures involved and is also prone to leaks; These leaks are costly to repair, time consuming and increase the water consumption of the site. The current installation due to its age has a risk of boiler failure leading to loss of heating provision.

A decentralised and upgraded heating system will give the NHSCT improved reliability and energy efficiency, contributing to achieving a target of a 30% reduction in net energy consumption by 2030.

The business case for this scheme was previously approved at Trust Board in July, but has been amended and resubmitted due to additional value following receipt of tender responses.

**Benefits:** This project will provide improved energy efficiency, reduced emissions and significantly reduce the risk of boiler failure.

**Capital Cost Summary:** Total Capital Cost - £750,910

**Affordability:** Capital funding of £150k has been applied for from the Department of Health as part of 2021/22 energy efficiency improvements from the Invest to Save Scheme. £601k has been ring-fenced for this scheme from Trust capital.

There is expected to be annual revenue savings, with an annual heat / light / power cost reduction of £57,712.

**Risks:** There is an inherent low / medium impact risk associated with implementing a scheme of this nature. The project will be carefully project managed to minimise the impact on business continuity and compliance with statutory standards. The Project Manager will liaise closely with Capital Development to ensure any cost / programme risks are communicated in a timely manner.

Neglecting to implement this project will lead to a significant risk of boiler failure, impacting on services provided at Mid Ulster Hospital.

## **Conclusion**

Implementing this scheme will significantly reduce current risk and maintenance issues with the existing boilers. This will improve the resilience of essential heating and hot water services, ensuring compliance with statutory standards and best practice.

This project will generate energy cost savings of over £57k per annum and a CO<sub>2</sub> reduction of c. 4,500 tonnes per annum.