

2015/16 Planned Property Maintenance Work Programme

SUMMARY

- 1.1 This report sets out the 2015/16 proposed planned property maintenance capital programme including the budget breakdown for each project.
- 1.2 This programme presents some amendments to the three year programme provided in the 18th February Cabinet Report (Capital Budget 2015/16 to 2017/18) and details the full Property Maintenance Work Programme for 2015/16.
- 1.3 The on going Property Rationalisation Project is affecting both revenue and capital spend on properties, with any works being focussed on essential works only, as it is not considered value for money to invest significant sums in buildings whilst this project is still progressing.
- 1.4 Proposed maintenance schemes have been prioritised against essential condition issues and health and safety requirements, including upgrading of fire alarms and emergency lighting systems, renewing life expired boilers, heating and air conditioning systems, replacement windows, re-roofing, structural repairs, kitchen upgrades and essential refurbishment.
- 1.5 The work programme is managed and monitored by the Property Board in line with the governance arrangements of the Strategic Asset Management Board.
- 1.6 The Planned Maintenance Work Programme is capitalised and funded corporately and is complemented by reactive revenue maintenance works that takes place throughout the year.

RECOMMENDATION

- 2.1 To approve the planned property maintenance capital programme of works for 2015/16 and reallocation of the planned maintenance funding to the proposed schemes as detailed in appendix 2, ensuring the funding combination is such that no increase in borrowing will be incurred across the years.
- 2.2 To amend the corporate capital programme 2015/16 – 2017/18 to incorporate the reallocation and removal of schemes as detailed in paragraph 4.4 and appendix 2.

- 2.3 To approve the addition of the two energy efficiency schemes detailed in appendix 2 and to recommend to Council the approval of the additional service financed spend to save borrowing for the Homes for Older People energy scheme.
- 2.4 To delegate authority to the Strategic Directors of Neighbourhoods, Adults Health and Housing and Children and Young People, in consultation with the relevant Cabinet Member, to enable them to respond to changing priorities throughout the year by introducing new schemes or bringing forward the implementation of some schemes at the expense of others.

REASONS FOR RECOMMENDATION

- 3.1 Approval of the work programme at the beginning of the 2015/16 financial year will allow effective planning and programming of the detailed work programme, with the objective of ensuring that the property maintenance projects are delivered on time and achieve value for money. Early approval of the programme will allow us to identify risks to the delivery of projects. We will be able to review and monitor risks to ensure they do not escalate and, where possible, are eliminated.
- 3.2 In the interests of the effective management of the programme, it is appropriate for the Strategic Directors of Neighbourhoods, Adults, Health and Housing and Children and Young People in consultation with the relevant Cabinet Member review the programme and reallocate funding on the basis of the outcomes of investigations, feasibility studies and progress of other projects and changing health and safety priorities.
- 3.3 The current proposed maintenance programme requires flexibility to accommodate the outcomes of decisions linked to the council's property rationalisation project.
- 3.4 The original Property maintenance programme approved at 18th February Cabinet (Capital Budget 2015/16 to 2017/18) has been amended due to a review of the programme and consideration of essential work required. Some schemes have been removed as work is not considered essential at this stage.



SUPPORTING INFORMATION

- 4.1 The Council has a significant number of buildings, around 400, that are used to directly provide services to members of the public as well as operational and administrative buildings and properties that are let out to tenants. The range of maintenance works required to ensure that these properties are safe for their designated uses are extensive, with priority being given to health and safety and legislative requirements. The property maintenance team, facilities management and the building managers, work together to manage the risks associated with the safe operation of the buildings.
- 4.2 The property maintenance capital programme is developed in consultation with the building managers and prioritises works based on a range of categories listed below. However for the past two years the programme has also been prioritised to essential works only whilst the Property Rationalisation Project has been carrying out a review of the Councils land and property.
- 4.3 The total three year Property Maintenance capital programme 2015/16 – 2017/18 approved at 18th February Cabinet was £9,688,000, funded from a combination of borrowing and single capital pot grant.
- 4.4 Projects have now been identified across a range of categories prioritising essential condition issues and health and safety requirements giving a revised property maintenance programme for 2015/16 of £3,374,000 and total 3 year programme of £10,148,000, including:
- Fire precaution works
 - Building related Health and Safety issues
 - Renewing life expired boilers, heating and air conditioning systems
 - Upgrading fire alarms and emergency lighting
 - Structural repairs
 - Replacement windows
 - Replacement roof coverings
 - Kitchen compliance upgrades
 - Disabled people's access improvements
 - Demolition
 - Water hygiene compliance works
 - Refurbishment and decoration

- 4.5 An increase of £460,000 to the overall programme is proposed due to the addition of two schemes tackling energy efficiency funded from a combination of Salix grant funding still to be bid for and service financed spend to save borrowing. These schemes have been identified to contribute to the Council's commitment to achieve energy saving targets as part of the Council's new Energy Strategy.
- 4.6 Due to the limited budget available all projects will be assessed to ensure that only essential works are carried out. The proposed projects are highlighted in appendix 2, which gives brief descriptions of each of the proposed projects and budget estimates, subject to detailed design and procurement processes. All schemes at this stage of development are budgeted to within +/-30%.
- 4.7 As the projects progress they will be reviewed against the progress of the Property Rationalisation Project and alterations may be made to the programme to ensure that all spend is considered appropriate.
- 4.8 The following summarises the main amendments made to the Property programme approved at 18th February Cabinet (Capital Budget 2015/16 to 2017/18):
- Cattle Market FRA work (£200k) removed – this project is included in 'FRA works Various Sites' where a clear scope of work can be developed and budget allocated accordingly when this is clear
 - Merrill House HOP (£415k) removed – urgent works to address priority issues
 - Perth House HOP (£250k) removed – urgent works to address priority issues
 - Nottingham Road Cemetery (£70k) removed – The scope of works to convert the Old Masons Store has been reviewed and it is considered that an alternative option to make the current building safe is preferable and can be funded out of the maintenance revenue budget.
- 4.9 The total funding for these schemes is £935,000 this has been redistributed across the priority schemes identified in the revised 2015/16 programme at appendix 2.
- 4.10 As the projects progress they will be reviewed against the progress of the Property Rationalisation Project and alterations may be made to the programme to ensure that all spend is considered appropriate.
- 4.11 The Property Board covers a wider remit than just the Property Maintenance Capital Programme, and includes the Housing General Fund, School, Parks and Property Improvement Programmes. The terms of reference for the Property Board reflect the proposed recommendation that Cabinet delegate authority can be given to the Strategic Directors of Neighbourhoods, Adults Health and Housing and Children and Young People, in consultation with the relevant Cabinet Member, to enable them to respond to changing priorities throughout the year by introducing new schemes or bringing forward the implementation of some schemes at the expense of others.

OTHER OPTIONS CONSIDERED

- 5.1 None.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer PD&M Manager Service Director(s) Other(s)	Olu Idowu Nic Goodacre Liz Moore Philip Derbyshire Christine Durrant Steve Sprason, John Sadler
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IMPLICATIONS

Financial and Value for Money

- 1.1 This report seeks delegated authority to the Strategic Director of Neighbourhoods, Adults, Health and Housing and Children and Young People in consultation with the relevant Cabinet Member to respond to changing priorities throughout the year by introducing new projects or bringing forward the implementation of some projects at the expense of others.
- 1.2 All reallocations will be incorporated within the existing funding approved and will be switched to ensure no increase in borrowing is incurred within the year. Amendment of the corporate capital programme 2015/16 – 217/18 will be required in line with appendix 2 listed of schemes.
- 1.3 The additional spend to save service financed borrowing will require Council approval for the additional borrowing for the Homes for Older People energy scheme.
- 1.4 All project changes are reported to the Property Board and will be recorded appropriately, identifying the details and reasons for the project variation, and are managed in consultation with the respective technical and financial officers.
- 1.5 All delegated approvals will be in line with financial procedure rules and approved by the Property Board.

Legal

- 2.1 When determining the planned property maintenance work programme, regard must be given to health and safety, disability discrimination and other relevant statutory and regulatory requirements which impact on the Council's responsibility as an employer or landlord.

Personnel

- 3.1 There are no personnel implications arising from the content of this report.

IT

- 4.1 There are no personnel implications arising from the content of this report.

Equalities Impact

- 5.1 The Council aims to make reasonable adjustments to remove physical barriers that make it impossible or unreasonably difficult for disabled people. Capital and revenue funding has been allocated for disabled access audits and improvements.

Health and Safety

- 6.1 The priority projects in the main address property related Health and Safety implications and conform to Building regulations, Workplace (Health, Safety and Welfare) Regulations 1992, Regulatory Reform (Fire Safety) Order 2005 and other key legislative requirements.

Environmental Sustainability

- 7.1 All projects are designed to comply with the latest edition of the Building Regulations approved documents. Consideration is given to bring in additional funding where possible to improve the thermal efficiency of the building portfolio, balanced against budgetary constraints.

Property and Asset Management

- 8.1 The proposed maintenance programme has been reviewed and is supported by the Property Board. Any changes to the programme will be reported and minuted through this board.

Risk Management

- 9.1 The implementation of the proposed projects will reduce risk to the Council associated with structural, mechanical or electrical failure. A risk register will be produced and updated throughout the life of each project. Identified risks will be reported to the Property Board and will be eliminated or mitigated where possible.
- 9.2 The range of maintenance works required to ensure that the Council's properties are safe for their designated uses are extensive, with priority being given to health and safety and legislative requirements. The property maintenance team, facilities management and the building managers, work together to manage the wide range of risks associated with the safe operation of the buildings.

Corporate objectives and priorities for change

- 10.1 The proposed schemes highlighted in this report at appendix 2 will contribute directly towards achieving the following Council priorities:

A thriving sustainable economy
A strong community
An active cultural life
Good quality services that meet local need

Appendix 2

Property Maintenance Work Programme 2015/16

Site	Revised 15/16	Revised 16/17	Revised 17/18	Scope of works
Allen Park Centre	£53,000			Boiler Replacement.
Kedleston Road Training Centre	£45,000			Replacement of disabled platform lift.
Homes for Older People - Various	£100,000			General maintenance and refurbishment to ensure homes are kept up to regulatory standards.
Children's Homes - Various	£50,000			General maintenance and refurbishment to ensure homes are kept up to regulatory standards.
Southgate Youth Centre	£345,000			Replacement of windows and refurbishment for relocation of the PRU from 63a Duffield Road into Southgate.
Allestree Hall	£85,000			Fire precaution works - refurbish fire doors and install emergency lighting
Darley Playing Fields	£60,000			Replacement boiler in changing rooms at Darley Playing Fields
Bramblebrook Community Centre	£80,000			Started in 2014/15. Renewal of roof trusses and replacement of roof felt and tiles.
Parks - Various	£50,000			Refurbishment of play areas.
Market Hall	£20,000			Essential works to make roof water tight and repair of damaged areas.
Museum & Art Gallery	£40,000			To fund the remainder of the FRA works, heating and ventilation which started in 14/15.
Pickford House	£26,000			Installation of a new fire alarm system.
FRA Works various sites	£700,000			Awaiting list of sites / programme of works to be developed following evaluation of fire risk assessments.
Lift Replacement / Maintenance	£200,000			Projects to be confirmed. Major replacement/refurbishment of priority 1 lifts identified from surveys.
Various sites boundary improvements	£60,000			Sites have been identified and a programme of works is being developed to carry out remedial works.
Various sites water hygiene	£25,000			Removal of hose reels and conversion of wet risers to dry

improvements				risers at various sites.
Capitalised Salaries - Valuer	£37,000	£37,000	£37,000	This supports the property disposal programme.
Planned Maintenance	£565,000	£4,700,000	£2,000,000	15/16 Schemes to be developed through preliminary design stage to develop priority list. 16/17 includes £1m for FRA works. Remainder of budget for essential health and safety works and works identified from future conditions surveys and future fire risk assessments.
Preliminary Design				
Preliminary Design - Structural and Buildings at Risk	£60,000			To carry out preliminary design works for a number of proposed schemes that will be undertaken in 16/17 or where urgent in 15/16.
Preliminary Design - Mechanical and Electrical	£70,000			To carry out preliminary design works for a number of proposed schemes that will be undertaken in 16/17 or where urgent in 15/16.
Preliminary Design - Water Hygiene	£10,000			To carry out preliminary design works for a number of proposed schemes that will be undertaken in 16/17 or where urgent in 15/16.
Preliminary Design - DDA	£10,000			To carry out preliminary design works for a number of proposed schemes that will be undertaken in 16/17 or where urgent in 15/16.
Preliminary Design - Fire Risk Assessments	£60,000			To carry out preliminary design works for a number of proposed schemes that will be undertaken in 16/17 or where urgent in 15/16.
Total Property Maintenance and Refurbishment excluding externally funded schemes	£2,751,000	£4,737,000	£2,037,000	
Service Financed or Grant Funded Schemes				
Energy Efficiency Projects - HOPs	£285,000			Implementing energy reduction and efficiency savings - including insulation of building fabric, lighting upgrades to LED bulbs, improve heating system controls and upgrade laundry

				appliances. Detailed business case to be approved - service financed.
Energy Efficiency Projects - Multi Storey Car Parks	£175,000			GRANT FUNDED. Not yet applied for grant. Implementing energy reduction and efficiency savings - Bold Lane and Chapel Street car parks, upgrading the lighting systems to energy efficient systems.
Milestone House creation of 7 additional bed spaces	£95,000			Creation of 7 additional bed spaces.
Climate Change ERDF	£68,000			
Total	£623,000	£0	£0	
Grand Total Property Maintenance Programme	£3,374,000	£4,737,000	£2,037,000	