



Derby City Council

COUNCIL CABINET
11 April 2018

ITEM 9

Report of the Cabinet Member for Finance and Governance

Property Improvement Capital Works Programme 2018/19

SUMMARY

- 1.1 This report proposes further details to the Property capital programme approved at Council Cabinet on 17 January 2018, across a proposed number of projects to form the 2018/19 Property Improvement Capital Programme.
- 1.2 Proposed repair and improvement schemes have been prioritised against essential condition issues and health and safety requirements, including fire precaution works, upgrading of emergency lighting systems, renewing life expired boilers and heating systems, roof replacements, boundary wall improvements and improvements to the building fabric. In addition the programme includes the new swimming pool and the refurbishment works of the Market Hall.
- 1.3 The work programme is managed and monitored by the Property Management Programme Board in line with the governance arrangements of the Corporate Capital Programme Board.
- 1.4 The Property Improvement 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 Property Improvement capital programme of works for 2018/19 as detailed in appendix 2.
- 2.2 To continue to give delegated authority within the limits set out in the Terms of Reference (ToR) (Terms of Reference limits are consistent with those set out in the Financial Regulations) to the Strategic Directors of Communities and Place and People Services (as appropriate) following 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.
- 2.3 To continue to give delegated approval to the Property Management Programme Board as per its ToR.

- 2.4 To continue to give delegated approval to the Property Management Programme Board to allow for budget changes to be made on projects that span more than 1 financial year as long as the total project budget has been approved and that the changes do not exceed this approved budget.

REASONS FOR RECOMMENDATION

- 3.1 The property capital programme 2018/19 – 2019/20 was approved at 8 February 2018 Financial Cabinet Report. Following finalisation of feasibility reports, scheme designs and further investigation work, this report aims to reallocate this budget over a number of schemes.
- 3.2 In the interests of the effective management of the programme, it is appropriate to maintain the delegated approvals as outlined in the Property Programme Management Board's Terms of Reference (ToR); to have the authority to review the programme and reallocate funding on the basis of the outcomes of investigations, feasibility studies and progress of other schemes and changing health and safety priorities.
- 3.3 It is essential that the Property Improvement Work Programme remains flexible to accommodate the outcomes of internal reorganisations, restructures, changing work patterns and operational commitments and is able to accommodate the outcomes of decisions linked to the council's property rationalisation project.



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Report of the Strategic Director of Communities and Place

SUPPORTING INFORMATION

- 4.1 Following finalisation of feasibility reports, scheme designs and further investigation work, this report aims to reallocate this budget over a number of schemes.
- 4.2 The Council has a significant number of buildings 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 improvement 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, including the Equality Act 2010 and adjustments for disabled people. The property maintenance team, facilities management and the building managers, work together to manage the risks associated with the safe and accessible operation of the buildings.
- 4.3 The Property Improvement Capital Programme is developed based on the outcome of Condition Surveys, Surveyors visits and inspections, and in consultation with the building managers. It prioritises works based on a range of categories listed in 4.6 below. However for the past five 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.
- 4.4 The Property Improvement capital programme funding is predominantly from a combination of borrowing and single capital pot grant. The total figure of the Property Improvement Capital Programme for 2018/19 has been profiled at £25.5 million, as approved at Council Cabinet held on the 17 January 2018.
- 4.5 Projects have been identified across a range of categories of Essential Maintenance Scheme and Major Refurbishment & Property Rationalisation Scheme. The 2018/19 schemes included in Appendix 2 are split into the following categories:
1. **New Swimming Pool**
 2. **Market Hall Refurbishment**
 3. **Major Refurbishment and Property Rationalisation Projects**
 4. **Essential Maintenance Scheme**
 5. **City Centre Infrastructure**
 6. **Parks Programme**
- 4.7 The proposed projects are highlighted in appendix 2, which gives a brief description of each of the proposed budget headings and budget estimates, subject to detailed design and procurement processes. All schemes at this stage of development are budgeted to within +/-30%, these figures will be adjusted to be more accurate through the design stages of the project.

- 4.8 As the projects on the capital programme 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.
- 4.9 The Property Management Programme Board covers a wider remit than just the Property Improvement Capital Programme, and includes the Housing General Fund and Schools. The terms of reference for the Property Management Programme Board reflects the proposed recommendation that Cabinet delegated authority can be given to the Strategic Directors of Community and Place and People Services in consultation with the relevant Cabinet Member. This will 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 (within existing Cabinet approved budgets and within delegated financial limits and in line with any grant terms or requirements).
- 4.10 The Property Management Programme Board ToR has been updated and includes proposals to increase delegations to allow for budget changes to be made on projects that span more than 1 financial year as long as the total project budget has been approved and that the changes do not exceed this approved budget.

OTHER OPTIONS CONSIDERED

- 5.1 The development of the Property Improvement programme has involved consideration of various options for the inclusion of projects. The programme recommended is considered to be the best way to meet statutory obligations and ensure building compliance, whilst the outcomes of the property rationalisation project are awaited.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer PD&M Manager Service Director(s) Other(s)	Emily Feenan – Principal Lawyer Mazer Hussain – Group Accountant Philip Derbyshire – Head of Property Design and Maintenance Greg Jennings – Director of Regeneration, Property & Housing Christine Durrant – Strategic Director of Communities and Place and Acting Chief Executive Jayne Sowerby-Warrington – Head of Strategic Asset Management and Estates Ann Webster – Equalities Lead
For more information contact: Background papers: List of appendices:	Arshie Mushtaq 01332 641817 arshie.mushtaq@derby.gov.uk None Appendix 1 – Implications Appendix 2 - Proposed Property Improvement Capital Works Programme 2018/19

IMPLICATIONS

Financial and Value for Money

- 1.1 This report seeks delegated authority to the Strategic Director of Community and Place and People Services 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 (within existing Cabinet approved budgets and within delegated financial limits and in line with any grant terms or requirements).
- 1.2 This report seeks to continue delegated authority as outlined in the main body of the report.
- 1.3 All reallocations will be incorporated within the existing funding approved and will be switched to ensure no increase in borrowing is incurred within the approved programme.
- 1.4 All project changes are reported to the Property Programme Management 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 property improvement work programme, regard must be given to health and safety legislation, the Equalities Act and Public Sector Equality Duty other relevant statutory and regulatory requirements which impact on the Council's responsibility as an employer, service provider and landlord.

Personnel

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

IT

- 4.1 There are no IT implications directly arising from the content of this report. Budget provision will be made available for the IT components of the projects, as appropriate.

Equalities Impact

- 5.1 All projects are undertaken to take into account the Equalities Act and Public Sector Equality Duty and Building Regulations. Equality Impact Assessments will be done

where appropriate for the projects at the start and continue until completion – these will be discussed with our Lead on Equality and Diversity.

Health and Safety

- 6.1 The priority projects in the main address property related Health and Safety implications and conform to Building Regulations 2010, 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 Property Improvement programme has been reviewed and is supported by the Property Programme 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. Identified risks will be reported to the Property Board and will be eliminated or mitigated where possible.
- 9.2 The range of improvement 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 process set out for approval is intended to deliver a capital programme that is consistent with corporate objectives and priorities.

Appendix 2