



**COUNCIL CABINET
16 MARCH 2016**

ITEM 9

Report of the Cabinet Member for Communities
and City Centre Regeneration

**Property Improvement Capital Works Programme 2016/17 and
2017/18**

SUMMARY

- 1.1 This report allocates the budget approved at Council Cabinet on 20 January 2016 across a proposed number of projects to form the 2016/17 proposed Property Improvement Capital Programme including the budget breakdown for each project.
- 1.2 This report also seeks approval for part of the 2017/18 Work Programme where project delivery spans more than 1 year and to reallocate £545k from 2016/17 into 2017/18.
- 1.3 Currently the Property Capital Programmes are split in to two programme areas, Property Maintenance and Refurbishment and Property Improvement. It is sensible at this time to merge the two programmes together and to call the newly formed programme Property Improvement Programme which encompasses all works carried out as part of the programme.
- 1.4 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.
- 1.5 Proposed 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, lift improvements, window improvements, re-roofing, improvements to the building fabric and essential refurbishment.
- 1.6 The work programme is managed and monitored by the Property Programme Board in line with the governance arrangements of the Corporate Capital Programme Board.
- 1.7 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 2016/17 and 2017/18 (where project delivery spans more than 1 year) as detailed in appendix 2.
- 2.2 To amend the corporate capital programme 2016/17 – 2018/19 to incorporate the inclusion of schemes that will cross two financial years.
- 2.3 To continue to give delegated authority to the Strategic Directors of Communities and Place and People Services 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.
- 2.4 To continue to give delegated approval to the Property Programme Board as per its Term of Reference (ToR). The ToR are about to be updated to reflect updated roles and processes. A meeting of the Property Board will not be taking place prior to this Cabinet meeting to approve the revised version.

REASONS FOR RECOMMENDATION

- 3.1 Approval of the work programme prior to the 2016/17 financial year will allow effective planning and programming of the detailed work programme, with the objective of ensuring that the property improvement projects are delivered on time and achieve value for money.
- 3.2 With regard to partial approval of the 2017/18 Property Improvement programme, this will improve the planning and delivery of such schemes, especially larger projects which are often delivered over multiple years. Having longer term information on when work will be carried out will improve customer satisfaction. It will also provide operational benefits; early contractor involvement on larger schemes, allow more competitive prices to be secured for a clear guaranteed programme of work and optimise delivery on site.
- 3.3 Currently the Property Capital Programmes are split in to two programme areas, Property Maintenance and Refurbishment and Property Improvement. It is sensible at this time to merge the two programmes together and to call the newly formed programme Property Improvement Programme which encompasses all works carried out as part of the programme.
- 3.4 In the interests of the effective management of the programme, it is appropriate to maintain the delegated approvals as outlined in the Property Programme Board's Terms of Reference; 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.
- 3.5 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 for Communities and Place

SUPPORTING INFORMATION

- 4.1 The property capital programme 2016/17 – 2018/19 was approved at 20 January 2016 Cabinet. This report aims to reallocate this budget over a number of schemes and reallocate to future years where applicable.
- 4.2 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 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. The property maintenance team, facilities management and the building managers, work together to manage the risks associated with the safe operation of the buildings.
- 4.3 The Property Improvement Capital Programme is developed based on the outcome of Condition Surveys and in consultation with the building managers and prioritises works based on a range of categories listed below. However for the past three years the programme has also been prioritised to essential works only whilst the Property Rationalisation Project has been carrying out a review of the Council's land and property.
- 4.4 The Property Improvement capital programme funding available for allocating to new schemes is £4.8 million funded from a combination of borrowing and single capital pot grant. In addition to this there are a number of schemes that were approved on the 2015/16 Property Improvement Capital Programme that have been slipped into 2016/17 that make up the rest of the Property Improvement Capital Programme. These are also listed in appendix 2.
- 4.5 In addition to the £4.8 million Property Improvement Programme, the following schemes also form part of the Property Improvement Capital Programme
- Climate Change funding (funded from European Regional Development Fund)
 - Milestone House (funded in part from Public Health England funding)
 - Energy efficiency projects – car parks (funded from Salix Finance)
 - Energy Efficiency Projects HOPs – Service financed spend to save
 - Parks various – funded from Section 106.
- 4.6 Projects have been identified across a range of categories prioritising essential condition issues and health and safety requirements the total of new schemes is £4,263m from the £4.8m allocation and it is proposed to reallocate the remaining £545k into 2017/18 property improvement programme, 2016/17 schemes include:

- Fire precaution works
- Renewing life expired boiler
- Building related Health and Safety issues
- Upgrading emergency lighting
- Improvements to building fabric
- Boundary Walls
- Roofing improvements
- Disabled people's access improvements
- Refurbishment

- 4.7 Due to the limited budget available all projects have been assessed to ensure that only essential works are carried out. These proposed projects are highlighted in appendix 2, which gives a brief description 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%, these figures will be adjusted to be more accurate through the design stages of the project.
- 4.8 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.
- 4.9 The Property 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 Board reflect 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, 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 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)	Olu Idowu – Head of Legal Nic Goodacre – Group Accountant Philip Derbyshire – Head of Property Design and Maintenance Christine Durrant – Strategic Director Communities and Place Jayne Sowerby-Warrington – Head of Strategic Asset Management and Estates Ann Webster – Equalities Lead
For more information contact: Background papers: List of appendices:	Sarah Turner 01332 641668 sarah.turner@derby.gov.uk Property Programme Board Terms of Reference None Appendix 1 – Implications Appendix 2 - Proposed Property Improvement Capital Works Programme 2016/17 and 2017/18

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.
- 1.2 This report seeks to continue delegated authority as outlined in the main body of the report.
- 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.
- 1.3 All project changes are reported to the Property Programme 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.
- 1.4 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, the Equalities Act and Public Sector Equality Duty 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 IT 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. All projects undertaken will take into account the Equalities Act and Public Sector Equality Duty and Building Regulations relating to disabled people regulations.

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 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. 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 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

Proposed Property Improvement Capital Works Programme 2016/17 and 2017/18

Property Type	16/17	17/18	Scope of works
Ashtree House	£177,000		Fire Precaution Works – new fire doors, fire resistant glazing and fire barrier and new boiler and heating system.
Market Hall	£345,000	£400,000	Replace high level glazing to domed roof section including the end glazing section. Install emergency lighting.
Market Place	£20,000		Structural survey to identify service ducts and to ascertain the suitability of existing paving and bases for continued commercial use.
Guild Hall	£183,000		Roof improvements and lift refurbishment.
Multi storey car parks	£246,000		Lift refurbishment to Bold Lane and Chapel Street and roof improvements to Assembly rooms car park and £30k contribution to secure access system and other security measures at Assembly Rooms and Chapel Street car parks.
Homes for Older People	£1,537,000		Fire Precaution Works, improvements to building fabric, lift refurbishment and renewal and essential refurbishment of the homes.
Parks	£270,000		Includes Arboretum Park Heart of the Park building – replace bespoke sliding patio doors. Markeaton Park resurfacing of car park, footpaths and landscaping.
Boundary Walls rebuilding and improvement	£435,000		Includes boundary walls at St Werburghs, Spondon, The Knoll, site of old Poplar Row garages and Crematorium external works to rebuild 50m section of retaining wall and relaying of 200m of uneven footpath
Various sites buildings at risk	£340,000	£300,000	Various sites – projects to be developed as issues arise
Fire Precaution Works	£500,000	£500,000	Various sites - Emerging issues identified from Fire Risk Assessments
Water Hygiene Improvements	£10,000	£10,000	Various sites
Equalities Act improvements	£20,000	£10,000	Stores Road OH entrance ramp and door.
Lift refurbishments and improvements	£50,000	£50,000	Emerging issues identified in year
Children's Homes refurbishment	£80,000	£100,000	£20k already on 16/27 programme new total £100k
Parks various	£50,000	£50,000	Funding to carry out parks refurbishment identified in year

Total allocated from Planned Maintenance	£4,263,000	£1,420,000	
Planned Maintenance	£545k unallocated from £4.8m	£725,000	Move remaining £545k in 2016/17 into 2017/18 – total unallocated in 2017/18 £725k
Assembly Rooms and Chapel Street Car Park Secure Access System	£470,000		Service financed
Parks S106 funded schemes	£279,000		Normanton Park, Shaftesbury POS, Dale Road Spondon and Knightsbridge Recreation Ground
Projects previously approved on programme (including works re-prioritised from 2015/16)			
Accommodation Strategy	£20,000		
Leisure Strategy	£50,000	£845,000	
Children's Homes Refurbishment – demolition of Moorfields	£10,000	£87,000	
Connecting Derby – residual costs	£245,000		
Markeaton Cemetery – Long term extension of existing provision	£0.00	£300,000	
Major Projects – Property Rationalisation	£316,000		
Museum Major Projects	£175,000		
Coronation Avenue – new Children's home	£160,000	£33,000	
Queensferry Gardens Children's Centre Refurbishment	£496,000	£180,000	
Cricklewood Children's Centre Refurbishment	£38,000	£611,000	
Kedleston Road Training Centre Refurbishment	£56,000		
Alvaston Park BMX Track	£37,000		Refurbishment - re-profiled from 2015/16

Classification: OFFICIAL

Allen Park Centre Replacement boiler	£39,000		Already approved on programme re-profiled from 15/16
Lift refurbishment/ Replacement – Assembly Rooms Car Park	£144,000		Refurbishment to lift re-profiled from 2015/16
Lift refurbishment/ replacement – Market Hall dock leveller	£32,000		Re-profiled from 2015/16
Guildhall FRA and H&S works	£100,000		Re-profiled from 2015/16
Markeaton Park restoration works to Pirate Ship	£50,000		Re-profiled from 2015/16
Kedleston Road Training Centre	£25,000		Replacement lift – will form part of larger refurbishment scheme
Home's for Older People refurbishment	£100,000		Refurbishment to keep homes up to regulation standards. To be spent in conjunction with £1.5m above Re-profiled from 2015/16
Darley Playing Fields Replacement boiler	£82,000		Re-profiled from 15/16
Parks various	£43,000		Refurbishment of BMX tracks at Onslow Road, Chaddesden Park and Osmaston Park
Preliminary design 2017/18	£130,000		Design work and planning for emerging schemes for in year and 2017/18 programme. Re-profiled from 2015/16
Capitalised Valuer	£37,000	£37,000	
Total	£2,385,000	£2,093,000	
Externally funded projects previously approved on the 2016/17			
Climate Change ERDF	£310,000		Grant funding for small businesses.
Milestone House creation of additional bedrooms and office space	£124,000		Scheme commenced in 2015/16, externally funded with contribution from HGF
Energy Efficiency Projects HOPs	£193,000		To carry out energy efficiency works such as insulation and replacement bulbs. Re-profiled from 2015/16
Energy Efficiency Projects – Car Parks	£110,000		Salix funded schemes to replace lighting for more energy efficient alternative. Re-profiled from 2015/16
Total	£737,000		

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