



**Report title:** 2024/25 – 2025/26 Corporate Landlord Capital Plans - Proposed allocation of capital funding.

<b>Cabinet date</b>	<b>9<sup>th</sup> July 2024</b>
<b>Cabinet Member</b>	<b>Cllr Cathy Scott – Leader of the Council</b>
<b>Key Decision Eligible for Call In</b>	<b>Yes Yes</b>
<p><b>Purpose of Report</b>          This report will identify potential projects, for Member approval, to be funded from the 2024/25 – 2025/26 Corporate Landlord baseline programmes in the Council’s Capital Plan. It will seek Officer delegations to manage the programmes within the proposed two-year budget envelope.</p>	
<p><b>Recommendations</b></p> <p>Cabinet Members are requested to:</p> <ul style="list-style-type: none"> <li>• Consider and approve the themes of work for 2024/25 – 2025/26 as detailed in <b>Appendix A</b> of this report.</li> <li>• Consider and approve the proposed delegated powers as outlined in paragraphs 2.23 to 2.25 of this report.</li> <li>• Authorise the virement of £68K in capital funding from the Children’s and Families Strategic Priorities Woodley Special School new build to the Corporate Landlord budget.</li> <li>• Authorise officers to identify, design, tender and implement the delivery of projects aligned with the work themes identified in <b>Appendix A</b>.</li> </ul>	
<p><b>Reasons for Recommendations</b></p> <p>The Corporate Landlord baseline budgets address urgent and essential condition, health and safety, and service delivery issues within the Council’s extensive portfolio of land and buildings. The budget is also used to deliver better outcomes by facilitating a programme of refurbishments, remodelling and rationalisation to ensure that operational buildings remain fit for purpose and suitable for the delivery of the Council’s objectives, promoting a strong, sustainable economy for the residents of Kirklees. Where it is not considered financially viable to invest funding into a building, the Council will seek disposal ensuring essential savings on maintenance costs.</p>	
<p><b>Resource Implication:</b>          The Corporate Landlord capital investment programmes as outlined in this report are funded by Council prudential borrowing, the revenue impact of which is included in the Council’s Medium Term Financial Plan.</p>	

Date signed off by <u>Strategic Director</u> & name	David Shepherd – Strategic Director for Growth and Regeneration – 26/06/2024
Is it also signed off by the Service Director for Finance?	Kevin Mulvaney – 26/06/2024
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Sam Lawton – 27/06/2024

**Electoral wards affected:** All

**Ward councillors consulted:** No

**Public or private:** Public

**Has GDPR been considered? There are no GDPR implications relating to this report.**

## 1. Executive Summary

- 1.1 This report will identify themes for programmes of work to be funded in financial years 2024/25 and 2025/26 from the Corporate Landlord baseline programmes, including Asset Investment, Compliance and Wellbeing. All these referenced funding streams are contained in the Five-Year Capital Plan pending approval by Cabinet on 9<sup>th</sup> July 2024.
- 1.2 Members will be requested to consider and approve the baseline programmes along with the broad themes of investment as shown in **Appendix A** and to authorise delegated powers for officers to manage the programmes within the overall budget envelopes so that priority projects can be identified, designed and delivered.
- 1.3 This baseline investment to maintain facilities and address urgent condition items is a two-year rolling programme which runs alongside and compliments the wider capital plan. Members are asked to note the connectivity between baseline investment, partners and strategic work programmes e.g. the Cultural Heart, Blueprints and Small Towns programme.

## 2.0 Information required to take a decision

### *(a) Background*

- 2.1 The Corporate Landlord portfolio of assets includes, for example, Office Accommodation, Libraries, Children’s Homes and Centres, Adults Care Homes and Day Centres, Town Halls, Public Halls, Sports and Leisure facilities, Museums, Crematoriums, Cemeteries, Car parks, Depots and Parks.
- 2.2 Pending the approval of the Capital Plan at Cabinet on 9<sup>th</sup> July 2024, the funding allocations for the Corporate Landlord baseline programmes will be as follows:
  - Asset Investment baseline of £9.888M for 2024/25 and £8.160M for 2025/26
  - Compliance baseline of £1.891M for 2024/25 and £1M for 2025/26
  - Wellbeing baseline of £1.118M in 2024/25 and £1M in 2025/26

The previous Asset Rationalisation and Sustainability of Huddersfield Town Hall programmes have been amalgamated into Asset Investment for 2024/25 and 2025/26 to aid reprioritisation of funding across a wider range of schemes. This report details how it is proposed to spend the allocated funds described above.

- 2.3 Due to the size and complexity of the Council's portfolio, which includes many heritage assets, a system of prioritisation is required to ensure that the available funds are targeted at the buildings with the highest need. A rolling programme of condition surveys and fire risk assessments, together with local intelligence, is used to determine a prioritised list of schemes. Discussions are held with Services to understand their condition needs. Potential projects are brought forward for pre-scheme feasibility studies to identify more detailed cost estimates and scheme priority.
- 2.4 The Asset Strategy team also considers the draft programme to ensure that the proposed investment aligns with the key objectives of the Council's Corporate Asset Strategy and complements strategic priority investments such as the Cultural Heart, the Huddersfield and Dewsbury Blueprints and the Small-Town Centres programme.
- 2.5 As a major land and building owner, the Council's aims and ambitions go beyond simply delivering buildings that are warm, dry, safe and secure. We aim to add value and to utilise land holdings and properties to achieve our vision for Kirklees, which is to be a district which combines a strong, sustainable economy with a high quality of life – leading to thriving communities, growing businesses, high prosperity and low inequality where people enjoy better health and high-quality services throughout their lives. How we use our significant land and buildings portfolio can have a major impact on economic growth, regeneration and health and wellbeing, whilst helping to contribute to the Council achieving its Climate Emergency commitments.
- 2.6 The Corporate Landlord Asset Investment and Compliance baseline budgets address urgent and essential condition, health and safety and legislative issues within the Council's extensive portfolio of land and buildings. The baseline Wellbeing budget helps address identified shortfalls in the shape / form / layout of buildings which impacts on the ability of Council Services to deliver their operations / outcomes. This budget helps to deliver better outcomes by facilitating a programme of refurbishments / remodelling changes to ensure that operational buildings remain fit for purpose and suitable for the delivery of the Council's objectives.
- 2.7 To aid strategic and operational planning, improve capital outturn and project delivery, two-year programmes of work have been developed and proposed for approval. These consist primarily of themes of work for implementation, plus some generic pots that have been allocated for groups of buildings such as parks and depots, Kirklees Active Leisure (KAL) and Children's and Adults Services, with the detailed schemes to be agreed with the individual Services during the course of the financial year.
- 2.8 The delegated powers proposed in paragraphs 2.23 to 2.25 will provide officers with the flexibility to be able to adjust delivery plans and project budgets whilst maximising our investments. This is particularly important given the challenging construction market at present where contractors are being more selective when picking the tenders that they wish to submit for. A balance needs to be struck between undertaking essential works and ensuring continuing value for money, and the

proposed delegated powers will enable officers to take a flexible approach with the management of individual projects and the overall programmes.

*(a) Proposed Corporate Landlord **Asset Investment** Programme allocations for 2024/25 - 2025/26.*

- 2.9 As previously mentioned, pending the approval of the five-year Capital Plan 2024/25 - 2028/29 at Cabinet on 9<sup>th</sup> July 2024, the Corporate Landlord Asset Investment programme has been allocated £9.888M in total for 2024/25 and £8.160M for 2025/26. The 2024/25 allocation includes funds rolled forward from the previous financial year that have already been contractually committed.
- 2.10 The proposed programme themes for the next two financial years, as shown at **Appendix A**, target investment at buildings and land holdings that align to the Council's Asset Strategy and other major investment programmes and concentrate on the following:
- Urgent condition works to address or prevent the deterioration of the asset e.g., replacement roofs and roof coverings, boilers and heating systems, fabric repairs and electrical works.
  - Health and Safety work to address legislative requirements and ensure that assets remain safe for use e.g., repairs to boundary walls, demolition of failed structures, improvements to parks, depots, car parks.
- 2.11 The Council has many listed heritage assets and as a responsible asset owner, it has a duty to ensure that these buildings remain in good repair and safe for their intended purpose. The next two years will include proposed investment in buildings such as our Town Hall estate, Dewsbury Mansion House, Oakwell Hall and Tolson Museum to address essential works that deliver on our duty to maintain and protect our heritage, and which compliment key Council priorities such as the Cultural Heart redevelopment and the relevant Blueprints / Small Centres programmes.
- 2.12 Works are proposed to a number of buildings in the Council's Commercial Estate to fulfil our landlord obligations to tenants and partners delivering key Council objectives. A number of demolitions are planned in relation to life expired buildings, which will deliver revenue savings and provide potential development sites that will boost housing and regeneration aims. Where we exit buildings as part of the Council's asset rationalisation, dilapidation works will be undertaken in accordance with the relevant leases.
- 2.13 Many schemes will tackle a mixture of condition, compliance and suitability issues in order to deliver fit for purpose accommodation that meets the future needs of the Council. A rolling programme of improvements to Adult Services Care Homes, Children's Homes, Children Centres, Libraries and KAL Leisure Centres will make a noticeable difference to public facing buildings that the Council delivers its services from. The Walsh Building in Dewsbury will see significant investment to address condition needs, improve security and the overall customer experience.
- 2.14 A major refurbishment of Upperhead Row Bus Station car park is planned to start on site in Autumn 2024 for 6-9 months, which will see extensive condition and improvement works to prolong the car park life by 10-15 years. This project will

require a rolling programme of phased closures of decks, but the car park will remain open except for a short period whilst the entrance / exit ramps are repaired. This is a precursor to the joint West Yorkshire Combined Authority / Kirklees Council scheme to refurbish the bus station and build a new main canopied entrance in 2025. Following completion of the Upperhead Row car park works, essential repairs will be undertaken during 2025 to the car park below the Civic Centre 1 Piazza.

- 2.15 An enabling project at Almondbury Children's Centre for the new build Woodley School and College was added to the 2023/24 Corporate Landlord Asset Investment programme using existing Cabinet approved delegated authority granted on 11<sup>th</sup> October 2022, pending approval of the Special Schools Investment report due to be received at Cabinet on 9<sup>th</sup> July 2024. The scheme is to be funded from the Children's and Families Strategic Priorities Woodley Special School new build budget. Members are requested to approve a virement of £68K in capital funding from this budget to repay the Corporate Landlord Asset Investment programme to support the scheme.

*(b) Proposed Corporate Landlord **Compliance** programme for 2024/25 and 2025/26.*

- 2.16 Pending the approval of the five-year Capital Plan 2024/25 - 2028/29 at Cabinet on 9<sup>th</sup> July 2024, the Corporate Landlord Compliance programme has been allocated £1.891M in total for 2024/25 and £1M for 2025/26. The 2024/25 allocation includes funds rolled forward from the previous financial year, which are already contractually committed to ongoing schemes.
- 2.17 The first few years of the compliance programme were focused primarily on the Council's sleeping risk accommodation with extensive fire safety improvements undertaken throughout our portfolio of Children's Homes and Aged Person's Homes, and a major refurbishment of our residential outdoor adventure facility at Cliffe House. We continue to invest in these buildings where needed.
- 2.18 Fire safety works are now being targeted at the Council's core office accommodation portfolio, buildings leased to third parties, and buildings undertaking commercial activities. In addition, a rolling programme of works involving our portfolio of maintained schools is occurring on a risk assessed basis.
- 2.19 All works will be based on a building-by-building Fire Risk Assessment (FRA), supported where necessary by a fire compartmentation study. A new rolling programme of FRAs was begun in 2022, which identifies prioritised works to be tackled through the fire safety programme. Typical works include improved fire compartmentation, repair or replacement of fire doors, new fire alarms and improvements to means of escape. Individual projects will be developed and designed as FRAs are received on a rolling programme using the delegated powers requested in paragraphs 2.23 to 2.25 of this report.

*(c) Proposed Corporate Landlord **Wellbeing** Programme for 2024/25 and 2025/26*

- 2.20 As previously mentioned, the five-year Capital Plan 2024/25 - 2028/29 has allocated £1.118M for 2024/25 and £1M for 2025/26 for suitability purposes pending the Plan's approval at Cabinet on 9<sup>th</sup> July 2024.
- 2.21 This budget will be used to improve the suitability of existing accommodation to enable it to be fit for purpose for the services being delivered from the location as well

as providing modern welfare facilities for staff and visitors. Typical works would include improved disability provision, ensuring that kitchens, toilets, and showers are provided or refurbished to modern standards and installing modern furniture, fittings and equipment to facilitate mobile and agile working across the Council.

- 2.22 Priorities for the next two years include improving the welfare facilities for depot-based staff, with significant improvements identified for a number of Parks and Bereavements locations. Further details of the proposed allocations of funding are provided at **Appendix A**.

*(d) Financial Delegations*

- 2.23 In order to aid the implementation of the Corporate Landlord Capital programmes described in this report and build upon the improving capital outturn performance of the last two years, Members are requested to delegate authority in accordance with the Council's Financial Procedure Rules 3.9-3.12 dated June 2024, to the Service Director - Development to manage the implementation of the programme areas within the respective agreed total programme budgets.

- 2.24 Delegated powers would include the authority to:

- Add to or delete projects from the programmes detailed in this report without prior Cabinet approval providing that the total cost of the programmes remains within the approved capital allocations set by Council.
- transfer resources between the Corporate Landlord programmes without restrictions to enable efficient delivery of projects.
- Slip, delete or reallocate budget between projects during the course of the two financial years providing that the total cost of the programmes remains within the approved capital allocations set by Council to enable the effective management of the programmes concerned over the two-year period.

- 2.25 Significant amendments to the approved programmes under delegated powers will be reported to Cabinet through the Quarterly Financial Monitoring process or through delegated decision notices on the Council's website.

### **3. Implications for the Council**

#### **3.1 Working with People**

Schemes developed in the condition and compliance elements of the programmes are designed to prevent severe disruption to service delivery e.g., by preventing part or total failure of boilers, roofs, electrical systems. These works ensure that our buildings and facilities are warm, dry, safe, secure and fit for purpose in line with our corporate asset strategy key objectives. The impact of such works on the operation of individual buildings is discussed and agreed in consultation with the relevant Services to limit the effect on day-to-day operation of front-line services.

The themes named within the suitability element of the programme have been developed together with Directorates to enhance service delivery and deliver improved outcomes for communities. These schemes fit with our strategic asset strategy objectives to provide operational assets that value our staff, enable the

delivery of effective and efficient services and work closely with partners and residents.

### **3.2 Working with Partners**

Collaborating and working together with partners has been key to ensuring we are constantly improving accommodation for staff and service delivery. Many partners share space with the Council in key buildings that we are wishing to invest in and therefore collaborative discussions with partners are key to providing solutions that facilitate increased integration of services to provide a better intelligence led, outcome focused service delivery.

### **3.3 Place Based Working**

We continue to invest in the creation of community assets to facilitate place-based working for council staff, partners and communities. The proposed modernisation of key Council buildings will enable more locality-based services to operate from them, serving the communities in which they are based, and enable closer working with key partners. Investment in Libraries, Adult Care Homes, Markets and Town Halls will ensure that these much-valued buildings continue to be available to serve their local communities.

### **3.4 Climate Change and Air Quality**

A key objective is to ensure that we invest and manage our assets to ensure that the Council's Carbon Neutral Vision is supported and enhanced. The condition and refurbishment schemes identified in this report will ensure that we are replacing inefficient roofs, boilers, heating and electrical systems with modern, energy efficient materials and equipment that will contribute to an ever-reducing carbon footprint for the Council. The refurbished buildings will be fit for purpose, modern, energy efficient buildings with consideration given to green technologies where feasible and appropriate.

### **3.5 Improving outcomes for children**

Investment in assets such as our Parks, Children's Centres and Children's Homes through the Corporate Landlord programmes will help deliver better services for children and young people.

### **3.6 Financial Implications**

The Corporate Landlord baseline programmes are funded through Council prudential borrowing. All the funding streams are identified in the Council's Five-Year Capital Plan due for approval at Cabinet in July 2024. The revenue impact has been incorporated into the Council's Medium Term Financial Plan, due to be approved at the same meeting.

### **3.7 Legal Implications**

All works will be procured in accordance with the Council's Contract Procedure Rules. The Council has a public sector equality duty under Section 149 of the Equality Act 2010 and an integrated impact assessment will be considered at the appropriate stage of delivery of individual projects. The Council will comply with its landlord obligations in relation to properties / land leased to third parties.

## **4 Consultation**

- 4.1 The programmes outlined in this report have been subject to consultation with officers from the Council Services impacted by the proposed works. The Council's Executive Board and Executive Leadership Team have been consulted as part of the approval process.

## **5 Engagement** Not applicable.

## **6 Options**

### **6.1 Options Considered**

The Corporate Landlord capital programmes provide much needed investment in the Council's extensive portfolio of land and buildings, which are used to ensure that the Authority can meet its statutory, legislative, commercial and social duties. Without such investment, buildings would close or be unable to provide residents with the services they need. Before any investment is made, the long-term future of the asset is considered to ensure that it fits with the Council's needs moving forward.

### **6.2 Reasons for recommended Option**

The Corporate Landlord baseline investment budgets address urgent and essential condition, health and safety, and service delivery issues within the Council's extensive portfolio of land and buildings. The budget is also used to deliver better outcomes by facilitating a programme of refurbishments, remodelling and rationalisation to ensure that operational buildings remain fit for purpose and suitable for the delivery of the Council's objectives, promoting a strong, sustainable economy for the residents of Kirklees. Where it is not considered financially viable to invest funding into a building, the Council will seek disposal ensuring essential savings on maintenance costs.

## **7 Next steps and timelines**

- 7.1 Subject to approval of the proposed 2024/25 – 2025/26 capital programmes, officers from Corporate Landlord and the Council's Technical Services will ensure that the programmes are updated, and the projects concerned are identified, developed, designed, procured and implemented.

## **8 Contact officer**

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## **9 Background Papers and History of Decisions**

6th March 2024 Council: 5 Year Capital Investment Plan 2024/2025 to 2028/2029



## **10 Appendices**

Appendix A: Proposed Allocations 2024/25 and 2025/26 Corporate Landlord Baseline Capital Investment Plans

## **11 Service Director responsible**

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