

Name of meeting: Cabinet  
 Date: 17<sup>th</sup> April 2018

Title of report: 2017/18 and 2018/19 Corporate Landlord Asset Investment Capital Plan - Amendments to the detail of the approved 2017/18 Corporate Landlord programme and proposed allocation of 2018/19 capital funding

Purpose of report This report will identify potential projects, for Member approval, to be funded from the 2018/19 Corporate Landlord Asset Investment baseline section of the Capital Plan and present an update on the delivery of the 2017/18 Corporate Landlord Asset Investment programme approved by Cabinet Committee - Assets on 29<sup>th</sup> March 2017 and updated at Capital Plan Rollover on 11<sup>th</sup> July 2017

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the <a href="#">Council's Forward Plan</a> (key decisions and private report)?	Yes
The Decision - Is it eligible for "call in" by <a href="#">Scrutiny</a> ?	Yes
Date signed off by Strategic Director & name	Karl Battersby - 29.03.18
Date signed off by the Acting Service Director - Finance, IT and Transactional Services?	Eamonn Croston - 29.03.18
Date signed off by the Service Director - Legal, Governance and Commissioning?	Julie Muscroft - 9.04.18
Cabinet member <a href="#">portfolio</a>	Corporate - Cllr Graham Turner Cllr Musarrat Khan

Electoral wards affected: All  
 Ward councillors consulted: No  
 Public or private: Public with Private Appendix A

## 1. Summary

- 1.1 This report will identify potential projects to be funded from the 2018/19 Corporate Landlord Asset Investment baseline section of the Capital Plan which was approved by Council on 14<sup>th</sup> February 2018.
- 1.2 Members will be asked to consider and approve the Corporate Landlord programme along with named projects so that they can be delivered in 2018/19 and to authorise delegated powers for officers to manage the programme within the overall budget envelope.
- 1.3 This report will also update Members regarding the delivery of the 2017/18 Corporate Landlord Asset Investment programme. It will report retrospectively on amendments and virements authorised by officers using delegated powers approved by Cabinet Committee - Assets on 29<sup>th</sup> March 2017.

## 2. Information required to take a decision

### (a) Background

- 2.1 On 29<sup>th</sup> March 2017 Cabinet Committee - Assets allocated funding from the approved Capital Plan to Corporate Landlord Asset Investment baseline programme of work for 2017/18 of £1.4M.
- 2.2 The July 2017 Rollover Capital Plan approved by Council on 11<sup>th</sup> July 2017 includes capital provision for the programme as indicated in the table below.

	<b>2017/18 Feb Budget</b>	<b>Rollover</b>	<b>2017/18 Revised Budget</b>
Corporate Landlord Asset Investment	£1.400M	£982K	£2.382M

In year virements and RCCO's have increased the 2017/18 total programme budget to £2.832M.

- 2.3 The Corporate Landlord portfolio of assets includes, for example, Service and Office Accommodation, Library & Information Centres, Children's Centres, Town Halls, Public Halls, KAL, Museums, Crematoriums, Cemeteries and Parks.
- 2.4 The programme of works undertaken in support of the Council's Asset Investment primarily consists of, but not limited to, the following categories of work:
- Condition works e.g. replacement roofs and roof coverings, boilers, fabric repairs, decoration and electrical works;
  - Compliance works e.g. replacement fire alarms, emergency lighting, asbestos safety works, resurfacing and structural works.

Where appropriate, Corporate Landlord work together with Asset Utilisation/ Rationalisation to create an overall investment package e.g. of condition works and strategic investment to ensure sustainability of the asset in the long term e.g:-

- At Batley Town Hall the boiler, heating controls, emergency lighting and security system were replaced from the asset investment programme, whilst strategic investment was allocated separately to create the Early Intervention and Prevention (EIP) Hub following Cabinets determination of the EIP Service 17<sup>th</sup> January 2017.

*(b) Asset Investment - 2017/18 programme amendments*

- 2.5 The delivery of 2017/18 work programme is nearing completion; however there have been a number of changes dealt with under delegated powers to reflect emerging priorities, market conditions and emergency additions to the plan, in order to keep the 2017/18 programme within the overall programme totals. **Appendix B** names projects which have either changed, been deleted from or added to the programme.

*(c) Proposed allocations for 2018/19*

- 2.6 The five year Capital Plan 2018/19 and 2022/23 was approved by Council on 14<sup>th</sup> February 2018 and allocated £2.3M to the Corporate Landlord Asset Investment baseline for 2018/19. £1M of the funding was approved to support the replacement cremators at Dewsbury and Huddersfield Crematoria, a separate report will be brought to Cabinet for approval of the delivery of these schemes. The 2018/19 Corporate Landlord Asset Investment programme is detailed at **Appendix A**.

- 2.7 The programme is summarised below:

Replacement of roofs & windows, structural repairs, footpath safety and general refurbishments	£0.557M
Boiler replacements & heating distributions	£0.430M
Replacement cremators	£1.000M
Health and Safety works	£0.070M
Risk Pot, advanced surveys and feasibility works	£0.243M
<b>Total</b>	<b>£2.300M</b>

- 2.8 Corporate Landlord Asset Investment funding is used to address urgent condition works across the Council's large physical estate. The current backlog of works required, significantly exceeds the amount of funding available and therefore works are considered on a priority basis. A rolling programme of condition surveys is used to determine a prioritised plan of schemes, alongside local intelligence and budget limitations. Potential projects are brought forward for pre-scheme feasibility studies to identify more detailed cost estimates. The proposed programme presented in appendix A is based on the most up to date cost and feasibility information and strategic input.

- 2.9 The total value of new condition works proposed for 2018/19 is £1.057M excluding the replacement cremators. In addition to this the following capital allocations have been put forward:

- £50K to cover survey and preparation cost for the 2018/19 programme along with advance feasibility and design costs for 2019/20 programme;
- £193K for a risk pot for items such as emergency in year additions to the programme and higher than anticipated tender returns.

2.10 It is anticipated that significant fire safety works will arise across the whole of the Corporate Landlords' buildings from the Fire Risk Assessment programme currently being undertaken. This will place pressure on Corporate Landlord's revenue repair and maintenance budget, therefore £250K has been allocated to fire safety as reserve funding to recognise this.

*(c) Financial Delegations*

2.11 In order to aid the implementation of the Corporate Landlord Capital programme, Members are requested to delegate authority in accordance with the Council's Financial Procedure Rules 3.12 dated June 2017, to the Service Director - Commercial, Regulatory and Operational Services, to manage the implementation of the identified works within the respective agreed total programme budget.

2.12 Delegated powers would include the authority to:

- add new urgent projects under £250k to the programme without prior Cabinet approval providing that the total cost of the programme remains within the approved capital allocation set by Council.
- slip or delete projects during the course of the financial year to enable the effective management of the programme concerned.

2.13 All virements, additions and deletions will be reported retrospectively to Cabinet in accordance with Financial Procedure Rules 3.14.

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

#### **3.1 Early Intervention and Prevention (EIP)**

Following the review of the proposals for the Early Help for Children, Young People and Families by Cabinet 17<sup>th</sup> Jan 2017, investment in the EIP Hubs is being planned at Dewsbury Town Hall and Slaithwaite Town Hall, while works have progressed this year at Batley Town Hall which will support service delivery and the implementation of the EIP strategy.

#### **3.2 Economic Resilience (ER)**

No impact.

#### **3.3 Improving Outcomes for Children**

See 3.1.

#### **3.4 Reducing demand of services**

No impact.

#### **3.5 Financial implications**

The capital investment outlined in this report of £2.3M for the 2018/19 programme is funded from prudential borrowing. The revenue cost of financing this level of borrowing is £145K per annum for 20 years.

3.6 As previously stated, there is an extensive backlog of repairs in corporate landlord assets, for which the Council has responsibility. Projects included in the programme of works are prioritised on urgent condition needs and health & safety issues. In addition, consideration is given to the future lifespan of each building, especially with the emphasis on reducing the Council's physical estate in order to generate revenue savings and capital receipts. Failure to undertake the works will lead to significant damage to buildings, equipment and belongings e.g. significant water ingress through a failed roof or the closure of a building due to a boiler or heating system failure during the winter months.

#### **4. Consultees and their opinions**

4.1 The Corporate Landlord Asset Investment programme has been subject to consultation with officers from affected services and the Economy Senior Leadership Team.

4.2 The PRP Service works with relevant services to ensure works carried out, are appropriate to meet the end user customer needs.

#### **5. Next steps**

5.1 Officers from Physical Resources and Procurement will ensure the 2017/18 Capital Plan is updated and all projects concerned are developed, designed, procured and implemented as per the amended programme.

5.2 Subject to approval of the proposed projects, officers from PRP will ensure the 2018/19 Capital Plan is updated and the projects concerned are developed, designed, procured and implemented.

#### **6. Officer recommendations and reasons**

6.1 Members are requested to:

- (a) note the amendments to the detail of the approved 2017/18 Corporate Landlord Asset Investment Capital Plan.
- (b) consider and approve the programme of work for 2018/19 as per the overall capital allocation approved at Council on 14<sup>th</sup> February 2018.
- (c) consider and approve the proposed delegated powers as outlined in paragraphs 2.11 to 2.13 of this report.

## **7. Cabinet portfolio holder recommendation**

- 7.1 Portfolio Holders have considered the attached report and welcome the Capital investment in our Council assets to keep them safe, dry, warm and secure. We approve the proposed 2018/19 programme and we note the revised amendments to the 2017/18 Capital Maintenance programme. We have considered and approved the delegated powers to the Service Director - Commercial, Regulatory & Operational Services as outlined in sections 2.11 to 2.13 of this report so that the programme can be managed within the overall budget envelope.

## **8. Contact officer**

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

Cabinet Report 29/03/2017:

“2016/17 and 2017/18 Council Capital Plan - Amendments to the detail of the approved 2016/17 Corporate Landlord managed sections of the capital plan and proposed allocation of 2017/18 capital funding.”

Council 11<sup>th</sup> July 2017: 5 Year Rollover Capital Plan

Council 14<sup>th</sup> February 2018: 5 Year Capital Plan

## **10. Service Director responsible**

Joanne Bartholomew - Service Director - Commercial, Regulatory and Operational Services Tel: 01484 221000  
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## **11. Private Attachments**

Appendix A - Detailed list of proposed works in corporate sites for 2018/19

### **Public Attachment**

Appendix B - Details of amendments to 2017/18 programme of works