

RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

31 OCTOBER 2012

REPORT OF HEAD OF CENTRAL SERVICES

CAPITAL PROGRAMME 2012-17

1.0 PURPOSE OF THE REPORT

- 1.1 To determine the Committee's Capital Programme for 2012-17 based on a review of spending in the current year's programme and schemes included in the programme for later years.

2.0 RECOMMENDATIONS

2.1 It is recommended that:-

- (i) the Committee notes the Capital Programme for 2012-17;
- (ii) Members consider the schemes being submitted in 2012-17 for funding as part of the budget setting process to ensure they meet the Council's priorities;
- (iii) Members approve the project mandate and business case attached at Appendix C for urgent roof repairs to the Snow Hill Industrial Units for £90,000 for Policy finance and Administration committee approval for inclusion in the 2012/13 capital programme funded by a supplementary estimate from capital receipts (paragraph 3.3 refers);
- (iv) Members consider the Burton Street car park improvement scheme and decide whether the concrete apron on the "gap site" is left as it is with minor improvements, pending future re-development, or incorporated within the re-surfacing scheme (paragraph 3.5 refers).

3.0 KEY ISSUES

3.1 Capital Programme 2012-17

- 3.1.1 The Capital Programme 2012-17 for this Committee is attached at Appendix A. The Programme gives the total cost of each scheme, the spending profile, the amounts authorised to be spent and the stage each scheme has reached within the Capital Programme Project Appraisal System.

3.2 Changes to the Programme

- 3.2.1 The changes that have been made to the Capital Programme for the current and future years are set out in Appendix B.

3.2.2 The above changes result in £66,000 of schemes being included in the capital programme for 2013-14, £48,000 relates to General Expenses and £18,000 relates to Special Expenses. The £84,000 reduction in the current year includes £18,000 and £26,000 transferred to 2013/14 and 2014/15 respectively and the remaining £40,000 representing a scheme removed from the programme. Of this sum £18,000 had allocated funding for 2012/13 only which will be added back to the special expenses reserve.

3.3 Roof Repairs to Snow Hill Industrial Units – Project Mandate and Business Case

- 3.3.1 The Snow Hill Units are approximately 50 years old. Recent works to renew/repair original roof-lights and guttering to relieve water ingress were completed. However, the torrential rain and winds have taken their toll and water ingress has become very obvious and continual via the roof sheets and fixings.

Approximately 40% of the tenants have recently experienced water ingress affecting their businesses to varying degrees. The majority are claiming on goods and fittings damaged under their contents insurance policies. However, resistance is building to this action as their premiums will increase and the insurers start to query the cause.

Rent reduction requests and non-payment of rent is likely to increase as the conditions worsen over the winter. The vacant units are currently not leaking but it can only be a matter of time. The current rent income is approx £135,000pa which needs to be protected.

The leases are internal repairing and therefore there is no ability for the Council to recover the cost of the works from tenants. The damage has not been caused by an insurable risk, merely age. The Asset Management Plan 2012-15 recognises that Snow Hill Industrial Units will require future investment in the roof.

- 3.3.2 Officers sought advice from building surveyors Gleeds on the options for further repair. Gleeds inspected the works and confirmed that the contractor had completed works to a satisfactory standard, however, that further comprehensive works are necessary. Two alternative solutions were put forward, to overclad the existing system and improve the thermal performance of the roof, or alternatively to treat the existing roof with a protective coating. The latter option would only give a wind and watertight building for the next 15 years and is only marginally cheaper than the overclad system. The overclad system will have a 25 year guarantee and this is the system recommended by Gleeds. The business case and project mandate for these works is attached at Appendix C.

3.4 **Condition Survey**

- 3.4.1 A comprehensive set of condition surveys have been undertaken on all Non-HRA Council properties and these surveys have informed a five year repairs and maintenance programme. The extent of works required exceeded the existing levels of annual funding for the repairs and maintenance programme and identified large capital items, particularly relating to the car parks and cattle market. Therefore in addition to the five year repair and maintenance programme, a 20 year capital programme will be drawn up and attached to the repairs and maintenance programme to give a full picture of the future projected costs for maintaining the Council's assets. These details will be reported to members in the asset management plan update to PFA on the 4th December 2012.

3.5 **Burton Street Car Park Improvement Works**

The drawings for Burton Street car park re-surfacing scheme attached at Appendix D are complete and ready for submission for planning permission. However, members' views are sought on the "gap site" fronting Burton Street that has been identified for potential re-development when market conditions improve. This area (which is identified on the aforementioned plan) comprises of a concrete slab in reasonable condition. If the concrete apron is excluded from the re-surfacing scheme the estimated cost saving will be in the region of £28,000 plus VAT. Parking bays could still be marked out on the concrete apron –and whilst the overall appearance would not be the same as doing the entire scheme it is a significant saving. In the current climate it is difficult to give an informed opinion of when the site is likely to be re-developed.

Members are asked to decide whether this area should be excluded or included in the improvement project and the capital programme adjusted accordingly.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 All financial and resource implications have been addressed within paragraph 3.

6.0 LEGAL IMPLICATIONS

6.1 Individual schemes could have links to legal issues. These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

7.0 COMMUNITY SAFETY

7.1 Individual schemes could have links to community safety issues. These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

8.0 EQUALITIES

8.1 Individual schemes could have links to equalities issues. These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

9.0 RISKS

9.1 There will be risks associated with each of the individual projects and these should be considered as the schemes progress through the decision making process. There is also the risk that the Council is unable to fund all of the schemes in the Capital Programme and therefore public expectations may not be met.

10.0 CLIMATE CHANGE

10.1 Individual schemes could have links to climate change issues. These should be covered in any associated reports and forms linked to these schemes as they progress through the decision making process.

11.0 CONSULTATION

11.1 In preparing the appendices to this report consultation takes place between Project Managers and the Accountancy Assistant – Community Services regarding changes to the existing programme and new schemes to be included. In addition, the capital programmes reports are submitted to the Council's Programme Board. The extent to which consultation has been undertaken on individual schemes is set out in the associated project mandates.

12.0 WARDS AFFECTED

12.1 To varying degrees all wards are affected by capital schemes within this Committee.

Contact Officer: David Wallbanks

Date: 27 September 2012

Appendices: Appendix A - Capital Programme 2012-17
Appendix B - Capital Programme Amendments
Appendix C1 and C2 - Project Mandate and Business Case (Snow Hill Units Roofing)
Appendix D – Plan for Burton Street Improvements

Background Papers: Capital Programme as per Budget Book
Programme Board Minutes

Reference: X: C'ttee, Council & Sub-C'ttees /REEA/2012-13/31-10-12/DG - Capital Programme 2012-17