



Report of the Cabinet Member for Economy, Finance and Strategy

Cabinet – 18 April 2024

Building Capital Maintenance Programme 2024/25

Purpose:	To agree the schemes to be funded through the Capital Maintenance programme.
Policy Framework:	Financial Procedure Rule No. 7 (Capital Programming and Appraisals) The Revenue and Capital Budget as reported to and approved by Council on the 6 th . March 2024
Consultation:	Access to Services, Finance, Legal, Education
Recommendation(s):	It is recommended that Cabinet: 1) Approves the proposed capital maintenance schemes as listed in Appendix A . 2) Authorises the schemes and their financial implications as identified in Appendix C to be included in the capital programme.
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1.0 Introduction

- 1.1 Cabinet has previously approved the Council's Asset Management Plan for Property Assets which sets out a series of measures to improve the management and performance of the property portfolio. This Report sets out the way in which the Capital Maintenance resources for 2024/25 will be deployed.

2.0 Capital Programme Process

On 6th March 2024, Council approved a Capital Maintenance allocation of £3.214m for the Authority's building portfolio. The authority has also been awarded further funding from Welsh Government (WG) of £0.583m specifically for the education asset portfolio which was provided in 2023/24 with the 2023/24 displaced funding applied to the 2024/25 programme. This gives a total of £3.797m available for Capital Maintenance schemes for 2024/25, which is down significantly from the 2023/24 joint total of £7.824m

- 2.1 This decreased amount is as a result of the additional WG funding being significantly reduced from £3.6m in previous years to £0.583m. The WG meaningfully contributed to the number of Education capital maintenance schemes competed in previous years to ensure the continued use of the Council's schools. With this reduction in additional funding, it is proposed that 25 schemes that were earmarked to be undertaken in 2024/25 are put on hold for future years or the scope of work is significantly pared back. Swansea Council's £3m cut in allocation of WG funding is a share of the national £40m one off cut by WG announced last November but only confirmed locally in the offer letter of the 28th. February 2024. This will have a severe impact on 2024/25 spend (deferral of 2023/34) but we would expect reinstatement in 2025/26.
- 2.2 This will result in increased pressure on the existing budget and outstanding work as maintenance work will be based more around dealing with repairs on an emergency response basis rather than programmed works. This will inevitably mean that emergency schemes will be more expensive, putting more financial pressure on the overall budget and potentially leading to business continuity issues.

3.0 Objectives of Scheme

- 3.1 The proposals set out will directly support the corporate objectives of the Authority, in relation to the maintenance and improvement of the Authority's building portfolio.
- 3.2 This maintains the previous commitment to address the significant backlog of maintenance and minimise the potential effect of unforeseen breakdowns of building elements.
- 3.3 As was reported in previous building maintenance programme reports, attention needs to be drawn to the fact that the Authority still has a significant backlog of maintenance.

Notwithstanding the current financial pressures, further budget provisions will therefore need to be made in subsequent years to maintain this investment and minimise the risks of failure and unplanned closures.

3.4 The list of identified schemes (**Appendix A**) has been selected on a priority basis. The criteria for selection (unless otherwise stated) were based upon Condition rating, Legislative compliance, Health and Safety implications, likelihood of failure and business continuity. Whilst all schemes have been selected on these criteria there are a number of similar priorities which we are unable to progress within the budgets available.

4.0 Description of Schemes

4.1 The recommended list of schemes is included in **Appendix A** and to assist, a brief summary of the planned works has been included as follows:

1a) **Statutory Compliance - Electrical**

The schemes listed consist of total rewires, partial rewires or upgrades to ensure safety and compliance with electrical regulations and maintained operation of the premises.

1b-1e) **Mechanical/Heating & Ventillation Schemes**

The schemes listed in this section deal with the avoidance of heating failures within our establishments on a prioritised basis.

1f-h&1j) **Statutory Compliance - Legionella and Asbestos**

As a result of the existing policy to enable compliance with the legionella and asbestos legislation, capital repairs arising out of risk assessments and surveys need to be carried out to maintain compliance. These upgrades are actioned throughout the year and therefore a list of schemes cannot be prepared in advance. Separate revenue monies have been set aside to deal with the ongoing management process and minor repairs.

1i) **Statutory Compliance – Radon**

Further to the Welsh Government's directive for an awareness programme of RADON in schools, and in line with the "Ionising Radiations regulations 1999".

Welsh Government produced a directory of all schools that require testing for Radon; currently we have completed testing in all schools in the high-risk areas. There is a need to carry out further testing within the remaining schools.

1l) **Statutory Compliance – Accessibility for Disabled People**
Consultation through Local Access Groups would determine required investment to the prioritisation of buildings within the available budget for 2023/24.

2) **Essential Building Repairs**

The schemes listed in **Appendix A** are a combination of prioritised schemes and allowances linked to the ongoing maintenance strategy.

2a) **Essential Repairs to Listed Buildings and Ancient Monuments**

In line with the Listed Buildings Strategy agreed by Cabinet on the 6th of January 2014, Building Services will liaise with planning officers and ensure that the available budget will continue a programme dealing with the Authority's listed assets on a prioritised basis.

3) **Drainage Works to Schools**

Previous allocations have been made to initiate a programme of drainage surveys to all of the Authority's Schools. This has identified a range of significant repairs which, if rectified, should assist the Authority in mitigating future structural failures and health and safety issues within the Schools. Minor repairs should be undertaken by Schools in line with their delegated budget.

4) **Energy/Sustainability Investment/Carbon Reduction Commitment**

The budget for 2024/25 will allow the extension of good practice measures to reduce the Council's energy use and carbon emissions. The planned programme of works will help deliver on the Council's Net Zero delivery plan approved by Cabinet 15th December 2022. The energy strategy identifies within its action plan a number of feasibility studies, which will help explore future technologies. The appointment of appropriate consultants will help inform the feasibility studies, which in turn will inform our future strategies.

5) **Fire Risk Assessments**

The Council is required to undertake Fire Risk Assessments as dictated by *The Regulatory Reform (Fire Safety) Order 2005*. Mid & West Wales Fire Service (M&WWFS) who are responsible for the enforcement of general fire safety legislation to include *The Regulatory Reform (Fire Safety) Order 2005*.

A joint approach now takes place with M&WWFS who inspect council owned assets and at times can highlight a number of measures that require attention in relation to fire safety. It is difficult to quantify the scale of works required, therefore a budget will be allocated and monitored accordingly in line with prioritised actions.

6) **Emergency Reserve Fund**

This limited fund will allow immediate response to potential building failure to avoid significant disruption, Health and Safety risk or closure. This is a limited amount which will be allocated on a priority basis throughout the year and therefore individual schemes are not listed.

7) **Match Funding**
The Capital Maintenance programme has previously included an element for match funding capital projects within schools. This has allowed the Authority to develop a joint and consistent approach in dealing with the maintenance backlog problem within our Education Portfolio by pooling resources on projects where “liability” under the division of responsibilities is ambiguous. This works with schools using their devolved maintenance allocation, thus allowing more significant repairs to be undertaken. The programme over previous financial years has been highly successful. Whilst the funding pressures on schools are also recognised, it is proposed that during 2024/25 a further allocation is made to match fund medium value projects.

8) **Preliminary Design**
This limited budget will allow initial design to commence for schemes likely to feature in 2025/26, which will in turn inform the future work programme, allowing early procurement and maximum spend against profile.

9) **Asset Management Plan**
There are a number of Service Assets with projects that would need to factor within the 2024/25 allocated budget. Proposed investment within any of the affected assets will be undertaken in line with emerging priorities as part of the service rationalisation and Service in the Community strand.

To that end a modest capital allocation has been accounted for within the 2024/25 Capital Maintenance allocated budget.

The budget will be utilised to support priority works within the established post-commissioning review outcomes.

10) **Local Toilet Strategy**
The Council is required by legislation to develop a Local Toilet Strategy which was put in place in 2019. Whilst this doesn't require the Council to provide or maintain toilets directly, it would seem appropriate to ensure that an allowance is contained within the capital programme to carry out such improvements that arise out of the strategy. As such, an allocation has been included within the 24/25 programme with specific schemes being developed in line with the emerging action plan.

4.2 Work has been identified within **Appendix A** for the Guildhall and Brangwyn to address the failing and obsolete Heating, Ventilation & Air Conditioning units (HVAC). Alternative sources of funding are being considered and pursued to potentially address this. Should this be successful then the money allocated to the scheme will be made available

to address works that have had to be deferred or pared back, as indicated in paragraph 2.1 above.

4.3 **QEd Programme**

- 4.3.1 The proposed list of schemes listed under **Appendix A** is based on the technical assessment of the individual establishments, resulting in the prioritised listing attached. However, consultation has taken place with Education colleagues to confirm that none of the suggested schemes will conflict with the Authority's proposed Band B programme.

5. **Integrated Assessment Implications**

- 5.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage.
- Consider opportunities for people to use the Welsh language.
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 5.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 5.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

- 5.2 An IIA has been carried out for this project and is attached as **Appendix B**. The impact has been determined as low priority and as such, a full IIA is not required at this stage. The Capital maintenance investment within building assets and social services assets in Swansea will help to realise a more sustainable asset portfolio for Swansea Council. Where relevant, each specific project for which funding is agreed will undertake an IIA.

6.0 Financial Implications

6.1 Capital

The total capital cost of the schemes in the Authority's Buildings Portfolio for 2024-25 delivery amount to £3.214 million capital maintenance which will be fully funded by WG General Capital allocation. Details are set out in **Appendix C**.

- 6.2 An allocation of £0.583m from the Welsh Government Education capital maintenance grant provided in 2023-24 with the 2023-24 displaced funding applied to the 2024-25 programme. Details are set out in **Appendix C**.

6.3 Revenue

Maintenance costs will be met from existing revenue budgets.

7.0 Staffing Implications

- 7.1 Elements of the design and works may be procured externally to supplement in-house resources although the first call will be to seek interest from neighbouring Authorities.

8.0 Procurement and Legal Implications

- 8.1 The 2024/25 Capital Maintenance projects identified within **Appendix A** of this report will therefore be delivered by a combination of in-house resources, with other projects procured in line with Contract Procedure Rules. Any externalised works will be procured in accordance with Contract Procedure Rules (CPRs) and procurement rules and regulations. The Council must comply with various statutory requirements as well as general obligations under the Occupiers Liability Acts.

Background Papers: None

Appendices:

Appendix A: Capital Maintenance Budget 24/25– Proposed Programme

Appendix B: IIA Screening Form

Appendix C: Financial Implications Summary – Building Services