



Report of the Cabinet Member for Business Transformation & Performance

Cabinet – 21 March 2019

Building Capital Maintenance Programme 2019/2020

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 28 th February 2019
Consultation:	Access to Services, Finance, Legal, Education, Social Services
Recommendation(s):	It is recommended that Cabinet: 1) Approves the proposed capital maintenance schemes for Building Services, as listed in Appendix A. 2) Delegates authority to the Director and Cabinet Member to approve individual Social Services schemes. 3) Authorises the financial implications identified in Appendix C & D to be included in the capital programme.
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1.0 Introduction

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 2019/20 will be deployed.

2.0 Capital Programme Process

On 28th February 2019, Council approved a Capital Maintenance allocation of £4m for the Authority's building portfolio plus a further £700k for the Social Services asset portfolio.

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 and whilst there have been some reductions in this backlog, the limited programme contained within the 2019/20 budget, whilst being very important, will not remedy the immediate backlog.

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) was based upon Condition rating as independently determined by the recently completed, externally commissioned, condition surveys, 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 have 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) **Mechanical/Heating Schemes**
The schemes listed in this section deal with the avoidance of heating failures within our establishments on a prioritised basis.
- 1c&1d) **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.
- 1e) **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.
- 1f) **Statutory Compliance – Glazing Regulations**
Following Notice served by the Health and Safety Executive, money was set aside for 2006/07 to allow safety filming of relevant glazing within schools. Following the completion of these works the Authority was advised by the HSE that it needs to demonstrate its ongoing commitment relating to all of its remaining buildings and the allocation for 2019/20 will allow this process to continue.
- 1g) **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 2019/20.
- 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**
In line with the Listed Buildings Strategy agreed by Cabinet on the 6th 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 2019/20 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 Carbon Reduction Strategy approved by Cabinet on the 17th November 2011 and help mitigate the Authority's financial obligation within the Carbon Reduction Energy Efficiency Scheme (CRC). 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 or 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 2019/20 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 2020/21, 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 2019/20 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 2019/20 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 needs to be in place by 31st May 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 19/20 programme with specific schemes being developed in line with the emerging action plan.

- 11) **Social Services Asset Investment**
Following a review of the Social Services Asset Portfolio, a capital budget has been allocated to deal with priority issues and backlog maintenance. The budget will facilitate feasibility studies, which will then in turn determine the priority areas for investment.

4.2 QEd Programme/Social Services Assets

- 4.2.1 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.
- 4.2.2 Consultation has also taken place with Social Services colleagues in relation to the projects to be included within the £700k capital maintenance budget for Social Services assets.

5.0 Equality and Engagement Implications

5.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
- 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

5.2 An EIA 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 EIA 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 be screened for an Equality Impact Assessment.

6.0 Financial Implications

6.1 Capital

The total capital cost of the schemes in the Authority's Buildings Portfolio amount to £4 million capital maintenance and will be fully funded by the Authority's own resources (Welsh Government Grant/Supported Borrowing). Details are set out in **Appendix C**.

6.2 The total capital cost of the schemes in the Social Services Asset Portfolio amount to £700k capital maintenance and will be fully funded by the Authority's own resources (Unsupported Borrowing). Details are set out in **Appendix D**.

6.3 Revenue

Maintenance costs will be met from existing revenue budgets.

7.0 Staffing Implications

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

8.0 Procurement

8.1 The 2019/20 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 Contractual Procedural Rules. Any externalised works will be procured in accordance with Contract Procedure Rules (CPRs) and procurement rules and regulations.

9.0 Legal Implications

9.1 As indicated in Paragraph 4 of the Report, 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 2019/20 – Proposed Programme

Appendix B: EIA Screening Form

Appendix C: Financial Implications Summary – Building Services

Appendix D: Financial Implications Summary – Social Services