

ASSET MANAGEMENT ACTION PLAN 2022/2023

Report of the Director of Development & Regeneration

1 INTRODUCTION AND PURPOSE OF REPORT

- 1.1 The Scrutiny Committee is requested to consider the report, to note the progress of the 2021/22 Asset Management Plan Action Plan (AMP) capital programme, the programme of work for inclusion in the 2022/23 financial year and note the indicative programme up to 2024/25.
- 1.2 The AMP Action Plan report forms part of the Councils annual budget papers and sets out the budget requirement for capital works for future years where known.
- 1.3 The AMP Action Plan seeks to prioritise investment where required in the portfolio to ensure that we have the right property in the right place, ensure that assets are retained are fit for purpose, well maintained and support modern and efficient service delivery with minimal environmental impact.

2 BACKGROUND INFORMATION

- 2.1 The AMP Action Plan 2022/23 sets out upgrade work and improvements to operational buildings within the Council's estate. Corporate funding is required for the Operational AMP Action Plan as the capital financing costs of these works cannot be met from within the Single Property Budget cash limits.
- 2.2 The AMP Capital Programme for 2021/22 and the indicative programme beyond were reported to the Cabinet at the meeting of 22 December 2020 and it was resolved that:
 - Approval be given to the implementation of the updated AMP Capital programme for 2021/22 and the financing thereof, and the Indicative AMP programme for up to 2024, as set out in the report.
 - Approval be given to the application of corporate resources to fund the AMP programme 2021/22 to 2023/2024; with the application of funding types (capital receipts and borrowing) being delegated to the Deputy Chief Executive in conjunction with the Estates Capital Board (ECB).
 - The Deputy Chief Executive be authorised to award construction contracts as required to deliver the works programme.

3 PROGRESS OF 2021/22 SCHEMES

- 3.1 Each project undergoes a value engineering process during the design stage to achieve best value and preliminary costings indicate the viable 2021/22 schemes will be completed on budget or within allocated contingency, this is despite the significant increase in construction prices seen in year.
- 3.2 The previous funding requirement for the Leisure estate remains unchanged, although as condition surveys are updated additional wants of repair will inevitably be identified.
- 3.3 Fire Risk Assessments continue to identify necessary works and improvements to mitigate risks across the estate, the cost of these works has increased due to updated risk assessments that reflect reduced building occupancy or different operation profiles resulting from new ways of working in response to the Coronavirus Pandemic.
- 3.4 Updated Legionella Risk Assessments and written schemes for the safe management of water systems has identified areas for improvement. A second phase of a programme of work is ongoing which will see works to a value of £0.170m completed in 2021/22.
- 3.5 Due to the Coronavirus Pandemic, a number of schemes were deferred to minimise expenditure whilst the Council's financial position is addressed.
- 3.6 Other projects that are progressing in year include refurbishment of changing facilities at Avondale Leisure Centre and Hazel Grove Leisure Centre in addition to works to address backlog maintenance and lifecycle equipment replacement.
- 3.7 Dial Park Children's Home refurbishment has completed during Q2 of 2021/22, resulting in much improved facilities for looked after Children and support workers.
- 3.8 A further significant package of minor works have also been completed on park buildings, to further address backlog maintenance, building on the programme commenced during 2019/20. Where possible redundant buildings have been demolished to eliminate future maintenance and to reduce anti-social behaviour.
- 3.9 Detailed condition surveys have been completed to inform a package of targeted works to the portfolio of Community Centres, with Health & Safety issues addressed during 2021/22 and further works proposed to address condition concerns in 2022/23.

4 PLANNING FOR A PROGRAMME OF WORKS 2022-23

- 4.1 The strategy for the next years AMP Action Plan is to remain health and safety led in terms of our operational estate whilst we undertake further estate reviews of the operational portfolio leading to optimisation and rationalisation. The proposed AMP will be reviewed once the links to wider transformation is developed in detail which is about long term investment. The proposed AMP 2022/23 is focused on works necessary for the health and safety of building users, statutory compliance and business continuity.

- 4.2 The first of a series of asset reviews is complete, with the Town Centre office review final business case approved during November 2021 with delivery phase schedule to commence February 2022. This will reduce the office space requirements from pre-Covid-19 levels. This ambitious strategic asset review has progressed to deliver the ambition to reshape the operational estate to support new ways of working and new service delivery models which have been implemented at pace to address the immediate and lasting impacts of the pandemic to ensure that we are Building Back Better the provision into the future.
- 4.3 The 2022-23 programme of work is based on condition surveys that have been completed at this stage, informed by intelligence gathered from the Estate & Asset Management (E&AM) team, the Councils Facilities Management provider Robertson Ltd, stakeholders, supply chain partners and any newly identified requirements based on operational need.

5 OPERATIONAL ESTATE ASSET MANAGEMENT ACTION PLAN

- 5.1 The AMP Action Plan has been updated and extended to develop the programme of works using the principles of a revised rolling programme. This five-year programme will enable more strategic and focussed planning based on priorities identified from the condition surveys undertaken.
- 5.2 The AMP Action Plan for future years is forecast based on knowledge of the Estate and limited but improving condition survey information. As additional priorities emerge, we will need to engage with Service Managers on the future model of delivery of specific services so that cost-effective decisions can be made based on Council priorities and available resource.
- 5.3 The proposed amp Action Plan responds to the declared Climate Emergency contributing towards delivery of the targets set out in the GM 5 Year Environmental Plan, by the undertaking of a thorough assessment prior to investment in any carbon intensive traditional systems with new lower carbon alternatives, where they meet the business case requirements for sustainable energy systems.
- 5.4 It is expected that further schemes of work will be added to support Stockport Climate Action Now (CAN) activities to tackle the Climate Emergency and support the Active Communities Strategy. As business cases and initiatives emerge and are approved, these will be added to the AMP in the year following approval.

6 OPERATIONAL SUMMARY

- 6.1 At its meeting on 22 December 2020, the Cabinet agreed the 2021/22 AMP programme for implementation including funding the indicative AMP programme for 2022/23 onwards. Since then, further priority works projects including the necessity to extend the AMP to cover a five-year period have been identified and incorporated.
- 6.2 A summary of the updated programme of works to proceed for each year is as follows:

Building Type	2022/23 Allocation (Includes Previous years B/fwd.)	Proposed 2023/24 Allocation £m	Proposed 2024/25 Allocation £m	Proposed 2025/26 Allocation £m	Proposed 2025/26 Allocation £m
Civic Complex	0	0	0	0	0
Community	0.590	0.250	0.250	0.250	0.250
Operational Properties	0.700	0.575	0.575	0.575	0.575
Leisure Estate	1.205	0.980	0.980	0.980	0.769
Total Operational Estate	2.495	1.805	1.805	1.805	1.594

- 6.3 Note that the allocation for the civic complex is currently nil, as a planned review of the Town Hall and its accompanying business case will identify investment options and be subject to a separate approval.
- 6.4 The AMP Action Plan will continue to be reviewed as the estate is utilised to support projects relating to Investing in Stockport, one public estate, social care transformation, Stockport CAN, the Active Communities Strategy and the Medium-Term Financial Plan (MTFP).
- 6.5 The detailed Action Plan is provided in Appendices 1. The list of projects and activities may be subject to variation during the programme to respond to additional requirements or in response to urgent matters arising.

7 FUNDING THE AMP

- 7.1 As in previous years, the operational AMP Action Plan will rely on corporate resources being made available. That is a combination of unsupported borrowing, application of capital receipts (for example as a result of the disposal of property assets as part of the property rationalisation programme) and application of financial reserves.
- 7.2 The additional funding requirement for the operational estate programme for 2022/23 to 2023/24 is £2.044m for priority issues mainly related to health & safety works.

8 RISKS TO PROGRAMME

8.1 The main risks to programme delivery:-

- Impacts of Covid-19;
- Unforeseen events such as access issues;
- Capacity within the council's Design & Technical Services Team;
- Availability of external contractors, including impact of EU Exit;
- Planning and Highways approvals;
- Council approval/procurement process;
- Unavailability or delays to central funding.
- Construction cost inflation
- Energy price increases

8.2 High levels of inflation are impacting the construction sector, global supply chain issues, although receding continue to impact availability of supplies.

8.3 Energy price increases are being passed through, with products such as steel and tarmac seeing large price increases well above the level of consumer inflation due to the high energy use in production.

9 RECOMMENDATIONS

The Scrutiny Committee is asked to consider and comment on the proposals to:

- 9.1 Approve the Action Plan for 2022/23 and the financing thereof, and the Indicative Action Plan for up to 2026/27, as set out in the report;
- 9.2 Approve the application of corporate resources to fund the Action Plan 2022/23 to 2026/27; with the application of funding types (capital receipts and borrowing) being delegated to the Director of Development & Regeneration in conjunction with the Estates Capital Board (ECB);
- 9.3 Authorise the Director of Development & Regeneration to award construction contracts as required to deliver the works programme.

BACKGROUND PAPERS

There are none.

Anyone requiring further information should contact James Kington
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APPENDICIES:

Appendix 1 – Operational Capital Programme

Appendix 1 – Operational AMP Action Plan

Type	Building	Project Description (Summary)	2021/22 Est Cost, incl fees £000	2022/23Est Cost, incl fees £000	2023/24Est Cost, incl fees £000
Civic Complex	Operational Properties	Upgrade lift controls Stopford House	625		
Civic Complex	Stopford House	Concrete Repairs	75		
Community	Libraries	Refurbishment		250	250
Community	Abacus Centre	Redecoration		15	
Community	Community Buildings	Health and Safety issues	150		
Heritage	Staircase House	External Decoration	25		
Leisure Estate	Leisure Condition Improvement Works	Leisure Estate Improvement programme	379	1205	980
Operational Properties	Operational Properties	Improvements & compliance	150	150	150
Operational Properties	Operational Properties	Asbestos Removal	50	50	50
Operational Properties	Operational Properties	Install improved heater and water systems	50	50	50
Operational Properties	Parks Buildings/changing Rooms	General building works	150	150	150
Operational Properties	Operational Properties	Bring lightning conductors up to current standards	25	25	25
Operational Properties	Operational Properties	Implement recommendations for improved compliance	90		
Operational Properties	Operational Properties	Improvements to Operational Estates to enable office moves	150	150	150
TOTAL			1,919	2,045	1,805