

ASSET MANAGEMENT PLAN CAPITAL PROGRAMME - OPERATIONAL ESTATE
2023/24 - 2028/29

Report of the Director of Development & Regeneration

1. INTRODUCTION AND PURPOSE OF REPORT

- 1.1. The Cabinet is requested to consider the report, to note the progress of the 2023/24 Asset Management Plan (AMP) capital programme, approve the programme of work for inclusion in the 2024/25 financial year and note the indicative programme up to 2028/29.
- 1.2. The AMP Capital Programme report forms part of the Councils annual budget papers and sets out the budget requirement for capital works for future years.
- 1.3. The AMP Capital programme 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 2024/25 capital programme sets out upgrade work and improvements to operational buildings within the Council's estate. Corporate funding is required for the Operational AMP 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 2023/24 and the indicative programme for future years was reported to the Cabinet at the meeting of 14 March 2023 and it was resolved that:
- 2.3. Approval be given to the implementation of the updated AMP Capital programme for 2023/24 and the financing thereof, and the Indicative AMP programme for up to 2027, as set out in the report.
- 2.4. Approved the application of corporate resources to fund the AMP programme 2023/24 to 2027/28; with the application of funding types (capital receipts and borrowing) being delegated to the Deputy Chief Executive in conjunction with the Estates Capital Board.
- 2.5. Authorised the Director of regeneration & Development authorised to award construction contracts as required to deliver the works programme.

3. PROGRESS OF 2023/24 SCHEMES

- 3.1. Each project undergoes a value engineering process during the design stage to achieve best value and preliminary costings indicate the viable 2023/24 schemes

will be completed on budget or within allocated contingency, this is despite the significant increase in construction prices seen in year.

- 3.2. 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.
- 3.3. A new provider of Legionella Risk Assessments was on-boarded in year, whilst new risk assessments are identifying opportunities for improved compliance with Approved Code of Practice L8, these are expected to be addressed within approved budgets.
- 3.4. The approved budget for 2023/2024 was £2.78m, the total programme balance was £4.07m including deferred sums from previous years. This balance was slightly higher than forecast due to some large schemes running over more than one financial year and significant underspends due to C19 pandemic measures.
- 3.5. Actual spend year to date is £2.506m with a further £0.565m committed as of 25 January 2024. The AMP programme balance is £1.016m, this is expected to reduce slightly in Q4. The underspend is due to deferred schemes from previous years AMP delivery taking priority, and re-phasing of schemes to reduce in year unsupported borrowing.

4. PLANNING FOR A PROGRAMME OF WORKS 2024-25

- 4.1. The strategy for the next years AMP 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 is focused on works necessary for the health and safety of building users, statutory compliance, business continuity and protection of heritage assets on a 'just in time' basis.
- 4.2. The focus of the AMP for 2024/25 is to support business as usual, ensuring a safe and compliant estate that supports delivery of services to residents and seeking savings opportunities to support the MTFP.
- 4.3. A number of specific business cases will be brought forward in year to deliver improvements and expanded capacity to Children's Homes and support services for looked after Children. In addition to extending the Family Hub delivery model.
- 4.4. Stockport Climate Action Now (CAN) Priorities will also be embedded on all schemes where viable to minimise climate impact of our built estate throughout its lifecycle.
- 4.5. The 2024/25 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.

4.6. Whilst the condition survey data for the majority of the estate is now robust, there remains significant gaps particularly for heritage buildings and museums. This is planned to be addressed by new surveys of these assets through 2024/25.

5. OPERATIONAL ESTATE ASSET MANAGEMENT PROGRAMME

5.1. The AMP programme 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 for future years is forecast based on knowledge of the Estate and limited but improving condition survey information. As additional priorities emerge, we will engage with Service Managers on the future model of delivery of specific services so that cost-effective decisions are made based on Council priorities and available resource.

5.3. The proposed AMP 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 approvals.

6. OPERATIONAL SUMMARY

6.1. At its meeting on 14 March 2023, the Cabinet agreed the 2023/24 AMP programme for implementation including funding the indicative AMP onward programme. 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:

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Childrens & ASC Homes	50,000	40,015	40,015	40,015	64,855
Civic Buildings inc Town Hall	0.00	44,369	44,369	44,369	596
Heritage Properties	200,000	184,333	184,333	184,333	0
Leisure Estate	750,0000	126,333	126,333	126,333	1,921,649
Libraries	200,000	639,208	639,208	639,208	397,801
Operational Properties	590,000	1,486,868	1,486,868	1,536,868	980,787
Grand Total	£ 1.79 m	£2.521m	£2.521m	£2.571m	£3.365m

6.3. Note that the allocation for the civic complex is remains low, as a planned review of the Town Hall and its accompanying business case will identify investment options and be subject to a separate approval. Some works are included to renew life expired essential plant and update welfare facilities to ensure regulatory compliance.

6.4. The AMP programme 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 funding requirement for the operational estate programme for 2024/25 is £1.79m for priority issues mainly related to health & safety works, this is reduced from £2.1m reported last year. This is reduced to defer unsupported borrowing

whilst borrowing costs remain high. If all Priority 1 issues were addressed, this would require funding of £6.228m.

7.3. The funding reductions for 2024/25 fall mostly to the Leisure, Libraries and Park buildings portfolios.

7.4. Priority 1 repairs cannot be deferred indefinitely, however to smooth expenditure it is planned deliver Priority 1 repairs over 3 years between 2025/26-2027/28. With Priority 2 repairs taking place over years 2028/29 onwards.

7.5. Future years expenditure will be mitigated by continued estate rationalisation and seeking external grant funding where available, such as Arts Council MEND etc.

8. RISKS TO PROGRAMME

8.1. The main risks to a delay in the delivery of the programme include:

- Unforeseen events such as access issues;
- Capacity within the council's Design & Technical Services Team;
- Availability of external contractors
- Planning and Highways approvals;
- Council approval/procurement process;
- Unavailability or delays to central funding.
- Construction cost inflation

9. RECOMMENDATIONS

9.1. Approve the programme for 2024/25 and the financing thereof, and the Indicative AMP programme for up to 2028/29, as set out in the report;

9.2. Approve the application of corporate resources to fund the AMP programme 2024/25 to 2028/29; with the application of funding types (capital receipts and borrowing) being delegated to the Deputy Chief Executive (S151 Officer) in conjunction with the Capital Board;

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 at james.kington@stockport.gov.uk

APPENDICES:

Appendix 1 - Operational Capital Programme

Appendix 2 – Maintenance Backlog

Appendix 1 – Operational AMP Capital Programme Projects

Type	Building	Project Description (Summary)	2024/25 Estimated Cost, including fees £000	2025/26 Estimated Cost, including fees £000	2026/27 Estimated Cost, including fees £000	2027/28 Estimated Cost, including fees £000	2028/29 Estimated Cost, including fees £000
Libraries	All	Refurbishment	£ 200,000.00	£ 639,208.68	£ 639,208.68	£ 639,208.68	£ 397,801.49
Childrens & ASC Homes	Redcroft, Broadfields and Dial Park	Repairs and Decoration/ improvements to meet OfSted requirements	£ 50,000.00	£ 40,015.75	£ 40,015.75	£ 40,015.75	£ 64,855.22
Operational Properties	Childrens Centres & Family Hubs	Refurbishment	£ -	£ 63,518.10	£ 63,518.10	£ 63,518.10	£ 69,713.00
Operational Properties	District Offices	Condition Works	£ -	£ 5,922.63	£ 5,922.63	£ 5,922.63	£ 136,800.65
Civic Buildings inc Town Hall	Town Hall		£ -	£ 44,369.96	£ 44,369.96	£ 44,369.96	£ 596.20
Leisure Estate	Leisure Condition Improvement Works	Leisure Estate Improvement programme	£ 750,000.00	£ 126,333.32	£ 126,333.32	£ 126,333.32	£ 1,921,649.31
Operational Properties	Community Centres		£ -	£ 139,094.81	£ 139,094.81	£ 139,094.81	£ 225,521.17
Heritage Properties	Bramall Hall Museum	Lead roof replacement Match Funding for MEND Grant Bid	£ 200,000.00	£ 184,333.33	£ 184,333.33	£ 184,333.33	£ -
Operational Properties	Mill Lane Cemetery Office & Mess Room	Exterior & Interior Decoration	£ 25,000.00	£ 833,333.33	£ 833,333.33	£ 833,333.33	£ -
Operational Properties	Parks Buildings/changing Rooms	General building works	£ 120,000.00	£ -	£ -	£ -	£ 53,752.50

Operational Properties	Operational Properties	Improvements to Operational Estates to enable office moves	£ 150,000.00	£ 150,000.00	£ 150,000.00	£ 175,000.00	£ 175,000.00
Operational Properties	Operational Properties	Asbestos Removal	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ 60,000.00	£ 60,000.00
Operational Properties	Operational Properties	Bring lightning conductors up to current standards	£ 25,000.00	£ 25,000.00	£ 25,000.00	£ 25,000.00	£ 25,000.00
Operational Properties	Operational Properties	Improvements & compliance	£ 150,000.00	£ 150,000.00	£ 150,000.00	£ 160,000.00	£ 160,000.00
Operational Properties	Operational Properties	Install improved heater and water systems	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ 50,000.00	£ 50,000.00
Operational Properties	Operational Properties	Implement recommendations for improved compliance (Legionella Control)	£ 20,000.00	£ 20,000.00	£ 20,000.00	£ 25,000.00	£ 25,000.00

£ 1,790,000.00	£ 2,521,129.93	£ 2,521,129.93	£ 2,571,129.93	£ 3,365,689.54
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Appendix 2 – Backlog Maintenance

	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5	Total
Libraries	£ 1,917,626	£ 1,562,185	£ 1,428,445	£ 795,603	£ 951,540	£ 6,655,399
Childrens & ASC Homes	£ 120,047	£ 113,385	£ 141,824	£ 129,710	£ 442,308	£ 947,274
Childrens Centres	£ 190,554	£ 793,130	£ 441,434	£ 139,426	£ 138,406	£ 1,702,951
District Offices	£ 17,768	£ 357,591	£ 429,528	£ 273,601	£ 13,020	£ 1,091,509
Civic Buildings	£ 133,110	£ 1,390,192	£ 1,690,110	£ 1,192	£ 7,500,000	£ 8,014,604
Leisure	£ 379,000	£ 1,204,586	£ 2,940,217	£ 3,843,299	£ 8,272,611	£ 16,639,712
Community Centres	£ 417,284	£ 812,448	£ 500,441	£ 451,042	£ 785,346	£ 2,966,562
Museums & Heritage	£ 553,000	£ 34,000	£ -	£ -	£ -	£ 587,000
Bereavement	£ 2,500,000	£ 1,225,000	£ -	£ -	£ -	£ 3,725,000
Park Buildings		£ 37,950	£ 597,310	£ 107,505	£ 136,050	£ 903,190
	£ 6,228,390	£ 7,530,466	£ 8,169,309	£ 5,741,379	£ 18,239,281	£ 43,233,200

Note:- Incomplete data set, particularly Museums & Heritage Buildings. These are intended to be surveyed in 2024/25.