

ASSET MANAGEMENT PLAN CAPITAL PROGRAMME - OPERATIONAL ESTATE
2025/26 - 2028/29

Report of the Deputy Chief Executive

1 INTRODUCTION AND PURPOSE OF REPORT

- 1.1 The Cabinet is requested to consider the report, note the progress of the 2024/25 Asset Management Plan (AMP) capital programme, approve the programme of work for inclusion in the 2025/26 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 that are retained are fit for purpose, well maintained and support modern and efficient service delivery with minimal environmental impact.
- 1.4 The key focus for the 25/26 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 deliver the right property in the right place. The proposed AMP will be reviewed once the links to wider transformation is developed in detail which is about long-term investment in key assets. 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.

2 BACKGROUND INFORMATION

- 2.1 The AMP 2025/26 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 2024/25 and the indicative programme for future years was reported to the Cabinet at the meeting of 12th March 2024 and it was resolved that:
 - Approval be given to the implementation of the updated AMP Capital programme for 2024/25 and the financing thereof, and the Indicative AMP programme for up to 2027, as set out in the report.
 - Approved the application of corporate resources to fund the AMP programme 2024/25 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.

- Authorised the then Director of Regeneration & Development, now Deputy Chief Executive, to award construction contracts as required to deliver the works programme.

3 PROGRESS OF 2024/25 SCHEMES

- 3.1 Each project undergoes a value engineering process during the design stage to achieve best value and preliminary costings indicate the viable 2024/25 schemes will be completed on budget or within allocated contingency within the overall programme; this is despite the significant increase in construction prices seen over the past two years.
- 3.2 Fire Risk Assessments and Remedial works identifying 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 Onboarding of Children's Homes and Family Hubs, completing decorative, restorative, health and safety remedials to ensure that the centres are compliant and safe for staff, children and families.
- 3.5 The approved budget for 2024/2025 was £1.79m, with a total programme balance of £4.7m 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. Actual spend year to date in 2024/25 is £1.97m with a further £1.62m committed as of 05th December 2024, giving a current outturn position for the 2024/25 programme of £3.59m.

4 PLANNING FOR A PROGRAMME OF WORKS 2025-26

- 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 2025/26 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 that has proved successful in the past year.
- 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 2025/26 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 2025/26.

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 12th March 2024, the Cabinet agreed the indicative 2024/25 AMP programme for implementation, including funding the indicative AMP onward programme. This approval was for a 2025/26 allocation of £2.521m. 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:

	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Children's & ASC Homes, Family Hubs	400,000	150,000	150,000	150,000
Civic Buildings inc. Town Hall	100,000	44,369	44,369	596
Heritage Properties	184,333	184,333	184,333	0
Leisure Estate	126,333	126,333	126,333	1,921,649
Libraries	639,208	639,208	639,208	397,801
Operational Properties	1,170,000	854,095	864,095	904,274
Grand Total	£2,619,874	£2,004,340.10	£2,014,340.10	£3,380,320.67

6.3 The changes between the indicative 2025/26 programme, and that presented at Cabinet in 2024/25 for this year are:

- 6.3.1 Increases in allocations to the Children's Homes, ASC Homes and Family Hubs. This has increased from £0.104m to £0.400m to reflect the increase in Children's homes from 2 to 5, and the requirement for major refurbishment work at Broadfields Children's Home and Broadfields Annex and the investment required as part of opening the network of Family hubs.
- 6.3.2 Increase in allocation for Stockport Town Hall from £0.044m to £0.100m to allow works to the roof due to water ingress which now fall beyond routine maintenance.
- 6.3.3 A reduction in the allocation for works to the Cemeteries and Crematorium from £0.833m to £0.250m to reflect the separate business case that is being developed for the funding of the works required at the Crematorium itself.
- 6.3.4 Increase in allocation for the improvement of the operational estate to facilitate relocation of staff as part of the continuous process of estate optimisation and rationalisation. This budget has been uplifted from £0.150m to £0.250m.
- 6.3.5 Introduction of a specific £0.060m for the maintenance of parks buildings.
- 6.3.6 Increases in the budgets for statutory compliance covering Fire Protection (£0.150m to £0.200m), Boilers (£0.050m to £0.150m) and Legionella (£0.020m to £0.040m).

6.4 As with the previously approved AMP the allocation for the civic complex remains low, following the significant investment in Stopford House and areas of Fred Perry House, along with the planned review of the Town Hall which 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, along with urgent roofing works.

- 6.5 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).
- 6.6 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, with decisions on this be delegated to the Capital Board.

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 2025/26 is £2.62m for priority issues mainly related to health & safety works, this is an increase of £0.099m on last years reported figure. This is figure has however been reduced to defer unsupported borrowing whilst borrowing costs remain high. If all Priority 1 issues were addressed, this would require funding of £6.228m.
- 7.4 As with the approach taken in 2025/25, 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 funding that has been used to support the urgent work at Bramall Hall.

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
- Conservation approval
- 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 2025/26 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 Director of Finance (S151 Officer) in conjunction with the Capital Board;
- 9.3 Delegate authority to the Deputy Chief Executive to procure the works and services, and subsequently determine the outcome of any contract award process for any project specified in the asset management plan.
- 9.4 Delegate authority the Director of Development & Deputy Chief Executive Regeneration to award professional services and construction contracts, as required, to deliver the works programme.
- 9.5 Delegate authority to the Capital Board to reprofile the proposed spending to address urgent priorities that emerge during the years covered by this report.

BACKGROUND PAPERS

There are none.

Anyone requiring further information should contact James Kington
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APPENDICIES:

Appendix 1 – Operational Capital Programme
Appendix 2 – Maintenance Backlog