

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 5

meeting date: 28 JANUARY 2014
 title: PROPOSED CAPITAL PROGRAMME 2014/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: AMY JOHNSON

1 PURPOSE

1.1 To approve the proposed future three-year capital programme (2014/15-2016/17) for this committee.

2 BACKGROUND

2.1 This report will review the draft programme of schemes to be carried out in the following three years (2014/15 to 2016/17) based on the bids that have been received from Heads of Service.

2.2 Schemes were previously requested at this time last year for the 2014/15 and 2015/16 financial years. However, no bids have previously been requested for the 2016/17 financial year.

2.3 In the same manner as last financial year, all Heads of Service were asked to submit capital bids, bearing in mind the limited financial resources that are available to finance the capital programme. Heads of Service were asked to put forward schemes that were the absolute basic requirement to keep the council's services running.

3 DRAFT PROGRAMME 2014/15 TO 2016/17

3.1 Heads of Service were asked to review the current programme and submit any new scheme bids for consideration. Annex 1 shows the scheme bids for this Committee in detail and how each particular scheme links to the Council's ambitions. Annex 2 shows a summary table of the financial impact for each financial year.

3.2 It should be noted that at this stage these are only potential bids that will also require further consideration by the Budget Working Group and by Policy and Finance Committee who will want to make sure that it is affordable, both in capital and revenue terms.

3.3 Members should therefore consider the forward programme as attached and put forward any amendments you may wish to make at this stage.

3.4 A summary of the three-year programme for Policy and Finance Committee is shown below:

Schemes	2014/15 £	2015/16 £	2016/17 £	TOTAL £
Previously Approved		115,000		115,000
New Bids	179,500	88,900	11,250	279,650
Total of All Bids	179,500	203,900	11,250	394,650

3.5 As the capital programme has already been approved for 2014/15 and 2015/16 last year, we would not normally anticipate new bids for these years unless new funding has been identified or there were circumstances unforeseen at this time last year. However, for this committee almost 96% (by value) of the new bids received relate to 2014/15 and 2015/16.

3.6 Members may recall that there is external funding and internal revenue contributions (£67,000) associated with the Clitheroe Townscape Scheme (previously approved scheme), with the balance being funded internally, as shown in the table below.

Funding	2014/15 £	2015/16 £	2016/17 £	TOTAL £
Total of All Bids	179,500	203,900	11,250	394,650
External Funding	0	-60,000		-60,000
Identified Revenue Contributions		-7,000		-7,000
Balance to be Internally Funded	179,500	136,900	11,250	327,650

3.7 The level of the council's capital resources available to fund those bids that are not supported by external funding is currently low.

3.8 It must also be noted that the bids shown here represent only those that have been submitted with regard to this committee's services. Other committees will be receiving similar reports, and all bids will finally be considered alongside each other by the Budget Working Group and Policy and Finance Committee in relation to the limited internal funding available.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – The proposals as submitted in the bid forms would require a substantial level of funding from council resources (£327,650). Confirmed external funding is minimal.
- Technical, Environmental and Legal – None
- Political – None
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the council
- Equality and Diversity – Equality and Diversity issues are examined as part of the capital bid appraisal process.

5 CONCLUSION

5.1 Bids were initially invited for the 2016/17 financial year, however most of the additional bids relate to the 2014/15 and 2015/16 financial years.

5.2 None of the additional schemes submitted have associated external funding, yet the Council's existing capital resources to fund such schemes are currently low.

6 RECOMMENDED THAT COMMITTEE

6.1 Consider the future three-year programme for 2014/15 to 2016/17 as attached and agree any amendments you wish to make.

6.2 Recommend to the future Special Policy and Finance Committee a future three-year capital programme for this committee's services.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF6-14/AJ/AC
17 January 2014

**Policy and Finance Committee
New capital Bid Submissions**

BID 1: *Council Offices – Re-roofing Scheme*

Service Area: Engineering Services

Head of Service: Terry Longden

Brief Description:

As the appearance of the Council Offices forms the first impression to any visitors or residents of the borough, it is essential that they are maintained to a high standard. This needs to reflect the Council's efforts to continually provide and improve outstanding services to the residents of the Borough and provide a comfortable working environment for its employees.

Overall the building is in a fair external condition, however it is noted that since construction in 1980 only minor repairs to the roof have been carried out. Due to the general life expectancy of fixing nails being approximately 15-20 years before they start to suffer from corrosion, causing slipped, missing and damaged slates that can result in water ingress and additional internal damages it is recommended that the roof be re-slatted.

Following the survey of the office roof, in October 2013, it has been noted that there are a number of slipped slates, missing slates and lead tie fixings already present on the roof, this suggesting that corrosion of the current fixings is present.

It is recommended that the roof be stripped back (with a high percentage of the slates stored and reused) and a breathable felt installed with new battens and nail fixings. This will also provide some additional protection to the internals of the building, as an additional protective layer in the breathable felt will direct any penetrating water into the gutters. The proposal is as follows:

The scheme would involve the provision of scaffolding with a 4 phased programme to involve, stripping off all existing slates and battens, storing any undamaged slates for reuse, supply and fit breathable roofing felt with new soft wood treated battens, supply and install new insulation and re-fix slates.

Overriding aim/ambition that the scheme meets:

- To be a well-managed council
- To help make people's lives safer and healthier
- To protect and enhance the existing environmental quality of our area.

Government or other imperatives to the undertaking of this scheme:

CDM Regulations will be applicable. Health and Safety at work Act 1974.

If the scheme wasn't carried out the roof condition will continue to deteriorate and potentially lead to ingress of water causing damage to interior finishes and potentially hazardous to users of the building. Furthermore, the risk of a slipped roof slate falling and hitting a member of the public is increased with each year that passes. The risk of this is prosecution, unlimited fine and potentially a case of corporate manslaughter. This risk should be managed.

Policy and Finance Committee New capital Bid Submissions

Improving service performance, efficiency and value for money:

The renewal of the roof covering would provide the opportunity to install a breathable membrane potentially providing additional protection from water ingress and would prevent damage to ceiling tiles and roof structure reducing the costs of redecoration and replacement of tiles. The individually expensive repairs to the roof to address slipped tiles would also be avoided.

Consultation:

Feedback has been received from staff including heads of service in relation to water ingress. The areas affected have included: level D reception area, level A reception, John Heap's office and John Macholc's office.

Start date, duration and key milestones:

April 2014: Tender and undertake programme of works

June 2014: Commencement of works

August 2014: Completion and start

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17
Contractors	165,000	-	-
Internal Staff Salaries	2,500	-	-
TOTAL	167,500	-	-

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Useful economic life:

It is assumed that the roof fixings will continue to deteriorate and will cause damage to the roof structure and internal areas of the offices over the next 10 years. If the works were to be carried out it would increase the functional lifespan of the offices by 25 – 30 years. If this work is not undertaken it is likely that the speed and the scale of the deterioration of the roof will accelerate. It is expected that it will increase as follows:

2014 - 10 Slipped and missing slates. Minor water ingress.

2015 - 25 Slipped and missing slates. Moderate water ingress.

2016 - 40 Slipped and missing slates. Moderate water damage.

2017 - 90 Slipped and missing slates. Significant water damage.

**Policy and Finance Committee
New capital Bid Submissions**

The necessary repair works, which can only be classed as a temporary measure before complete replacement of the roof, would have considerable cumulative revenue costs.

Additional supporting information:

A condition survey of the roof was undertaken in October 2013 and has highlighted the following areas of concern:

- Cement verges cracked with mortar missing.
- Approximately 25% Slipped slates to all roof slopes.
- Approximately 70% No lead ties visible to all roof slopes.
- Ridge tiles require re-bedding due to missing and cracked mortar.
- Staining to ceiling tiles in several areas of the offices

Impact on the environment:

N/A

Risk:

- **Political:** *Potential loss of reputation resulting from roof slates hitting a pedestrian.*
- **Economic:** *The long term benefits of investing in maintaining our buildings reduce potential defects and reduce long-term expenditure.*
- **Sociological:** *N/A*
- **Technological:** *The latest materials, including improved insulation will be specified as part of the re-roofing and should result in long term cost savings*
- **Legal:** *Legislation in relation to health and safety and injuries to the general public caused by failing roof coverings may result in claims against the council if this work is not carried out. This includes corporate manslaughter legislation.*
- **Environmental:** *Materials with a high recycled content will be specified where possible.*

**Policy and Finance Committee
New capital Bid Submissions**

BID 2: *Asbestos Abatement Scheme*

Service Area: Engineering Services

Head of Service: Terry Longden

Brief Description:

A number of the Council's properties contain asbestos materials. If poorly managed could present a risk to employees, customers and the general public.

This capital bid is to undertake the followings:

- Upgrade our Technology Forge Asset Management System to include an Asbestos module
- To update our management surveys, asbestos registers and develop a programme of works
- To remove high risk asbestos containing materials, or to encapsulate and monitor if removal is not possible

This would identify and mitigate the risk associated with asbestos containing materials (ACM's) and would enable the council to demonstrate better management of this dangerous material.

Overriding aim/ambition that the scheme meets:

- To be a well-managed council
- To help make people's lives safer and healthier.

Government or other imperatives to the undertaking of this scheme:

Health & Safety at Work Act 1974

The Control of Asbestos Regulations 2006 came into force on 13 November 2006 (Asbestos Regulations – SI 2006/2739) and brings together three previous sets of regulations covering the prohibition of asbestos, the control of asbestos at work and asbestos licensing.

The consequence of not doing the scheme would be to manage our ACMs with very limited resources in competition with other mandatory maintenance such as boiler servicing and fire alarm maintenance.

Improving service performance, efficiency and value for money:

Service performance will be improved along with ACM management systems and the quality of the associated information.

Consultation:

An asbestos awareness course was held in September 2013 and was attended by members of the surveying section, housing section and direct works team. Improvements to the current arrangements were discussed.

Policy and Finance Committee New capital Bid Submissions

Occupiers of our buildings, including Lancashire County Council's Museum Service are increasingly requesting confirmation that ACM's are being managed in an appropriate way.

Start date, duration and key milestones:

May 2014: Tender and undertake survey programme

July 2014: Undertake abatement works

August 2014: Update risk register

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Contractors	12,000	-	-
TOTAL	12,000	-	-

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Annual Support & Maintenance	250
Total Estimated <u>Annual</u> COSTS	250
Estimated Lifespan	20 Years
Total Estimated <u>Lifetime</u> COSTS	5,000
Estimated disposal/wind down costs/income	0
TOTAL Estimated <u>Lifetime</u> Revenue COSTS	5,000

Useful economic life:

N/A

Additional supporting information:

Around 4,000 people die every year as a result of breathing in asbestos fibres, making it the biggest single cause of work-related deaths in the UK. Airborne fibres can become lodged in the lungs or digestive tract, and can lead to lung cancer or other diseases, but symptoms may not appear for several decades.

Impact on the environment:

No comments made.

**Policy and Finance Committee
New capital Bid Submissions**

Risk:

- **Political:** *N/A*
- **Economic:** *N/A*
- **Sociological:** *N/A*
- **Technological:** *The latest testing methods, air filtration and safe disposal methods would be promoted as part of the scheme.*
- **Legal:** *There is the potential for individual and corporate prosecution in the case of a lack of investment in our ACM management and associated systems.*
- **Environmental:** *N/A*

**Policy and Finance Committee
New capital Bid Submissions**

BID 3: Council Offices – Window & Roof Light Replacement Scheme

Service Area: Engineering Services

Head of Service: Terry Longden

Brief Description:

The aim of this scheme is to replace a number of timber framed windows and roof lights in the Council Offices. The timber beading that surround the glass panels have started to deteriorate and in some case have detached from the windows. This has the potential to present a health and safety risk to members of public and staff who use the car parks below. A number of the roof lights exhibit water ingress and they should be replaced.

Five windows and three roof lights were replaced as part of planned preventative maintenance in 2012/13 and 2013/14. The work was funded from revenue. As the remaining windows and roof lights are of the same age, they have reached a similar stage of deterioration and the rate of replacement should be increased if the risk is to be managed.

Note that fifty-seven windows and 9 roof lights have not yet been changed and it would take around 25 years to replace all of the windows under the current planned maintenance approach. The age of the building and the fixtures within that are classed as part of the building fabric is however placing additional demands on an already stretched revenue maintenance budget and the original replacement strategy (funded from Revenue) can no longer be sustained. Neither is it appropriate as the budget cannot support the necessary accelerated rate of replacement.

It should be noted that this proposal excludes the rows of PVC windows, located on level C and D. Furthermore, whilst the building is within a conservation area it should be argued that it would be acceptable to utilise modern, appropriately self-coloured uPVC replacement fixtures with a longer serviceable life than the original fittings.

Overriding aim/ambition that the scheme meets:

To be a well-managed council

To help make people's lives safer and healthier

Government or other imperatives to the undertaking of this scheme:

CDM Regulations will be applicable.

Health & Safety at Work Act 1974.

Policy and Finance Committee New capital Bid Submissions

Improving service performance, efficiency and value for money:

The scheme will improve the thermal efficiency of the Council Offices and therefore potentially result in reduced gas consumption, heating costs and associated carbon emissions.

Consultation:

Feedback has been received from staff in relation to draughts around windows and water ingress around roof lights. Corporate Management Team have been informed of the replacement of roof lights (CMT report 3rd July 2013 Item 3).

Start date, duration and key milestones:

April 2015: Specify and Tender
June 2015: Commencement of works
August 2015: Completion

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Contractors	-	86,400	-
Internal Staff Salaries	-	2,500	-
TOTAL	-	88,900	-

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Premises Related Costs	-500
Total Estimated <u>Annual</u> SAVINGS	-500
Estimated Lifespan	25 Years
Total Estimated <u>Lifetime</u> SAVINGS	-12,500
Estimated disposal/wind down costs/income	0
TOTAL Estimated <u>Lifetime</u> Revenue SAVING	-12,500

Useful economic life:

The life of the new windows and roof lights would exceed 25 years.

Additional supporting information:

N/A

**Policy and Finance Committee
New capital Bid Submissions**

Impact on the environment:

Modern fittings provide improved insulation and promote energy conservation. Potential loss of reputation from timber windows failing and section falling onto pedestrians below.

Risk:

- **Political:** *N/A*
- **Economic:** *N/A*
- **Sociological:** *N/A*
- **Technological:** *We will specify replacement windows that are thermally efficient making use of the latest technology.*
- **Legal:** *Health & Safety at Work Act 1974. Potential for corporate manslaughter legislation if section were to fall on pedestrians.*
- **Environmental:** *N/A*

**Policy and Finance Committee
New capital Bid Submissions**

BID 4: *Council Chambers – Seating Renewal Scheme*

Service Area: Corporate & Democratic Core

Head of Service: Terry Longden

Brief Description:

The aim of this scheme is to renew the tired and dated chairs in the Council Chambers.

The chairs are over 15 years old and have been repaired on a number of occasions. However the quality of these repairs is being increasingly hampered by the age and condition of the surrounding timber. In order to prevent the furniture becoming dangerous, it is proposed that the chairs are replaced. Unfortunately, it is noted that the chairs are obsolete and therefore individual chairs cannot be replaced.

There are 45 chairs in total, of which 3 have become dangerous and have been taken out of service, including the chairman's seat.

Overriding aim/ambition that the scheme meets:

To be a well-managed council

To help make people's lives safer & healthier

Government or other imperatives to the undertaking of this scheme:

Health & Safety at Work etc Act 1974

Improving service performance, efficiency and value for money:

The operation of the Civic Suite and particularly the Council Chambers is essential to ensuring the smooth running of the Council.

Consultation:

A number of council members and staff have commented on the condition of the furniture to the Surveying Section. Legal services have raised the issue at a senior level.

Start date, duration and key milestones:

May 2015: Contact potential suppliers and request samples.

July 2015: Consultation with CMT regarding design / material options.

September 2015: Obtain firm quotations and place order.

November 2015: Receive delivery of new furniture, recycle redundant chairs.

**Policy and Finance Committee
New capital Bid Submissions**

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Equipment/Materials	-	-	10,500
Internal Staff Salaries	-	-	750
TOTAL	-	-	11,250

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Premises Related Costs (annual costs for furniture repairs)	-150
Total Estimated <u>Annual</u> SAVINGS	-150
Estimated Lifespan	15 years
Total Estimated <u>Lifetime</u> SAVINGS	-2,250
Estimated disposal/wind down costs/income	0
TOTAL Estimated <u>Lifetime</u> Revenue SAVING	-2,250

Useful economic life:

The expected useful economic life of the new furniture would be 15 years.

Additional supporting information:

The operation of the Council chambers is important in ensuring the smooth running of the Council.

Impact on the environment:

The selection of chairs with a high recycled content will be included in the procurement process.

Risk:

- Political: *N/A*
- Economic: *N/A*
- Sociological: *N/A*
- Technological: *N/A*
- Legal: *N/A*
- Environmental: *N/A*

Scheme Title	2014/15 £	2015/16 £	2016/17 £	TOTAL £
<u>Previously Approved Bids</u>				
Clitheroe Townscape Scheme		115,000		115,000
Subtotal of Previously Approved Bids	0	115,000	0	115,000
<u>New Bids Received (As at Annex 1)</u>				
Council Offices – Re-roofing Scheme	167,500			167,500
Asbestos Abatement	12,000			12,000
Council Offices – Window and Rooflight Replacement Scheme		88,900		88,900
Council Chambers – Seating Renewal Scheme			11,250	11,250
Subtotal of New Bids Received (As at Annex 1)	179,500	88,900	11,250	279,650
TOTAL	179,500	203,900	11,250	394,650
Net Total Bids Submitted	179,500	136,900	11,250	327,650