

REPORT TO EXECUTIVE

Date of Meeting: 2 June 2020

REPORT TO COUNCIL

Date of Meeting: 21 July 2020

Report of: Director, Environment & City Management

Title: Priority Asset Investment Programme

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

A number of urgent asset maintenance priorities have been identified as a result of our ongoing asset inspection programme. This report summarises the various projects to give an overview of the scale of the investment required. The detail on individual projects is contained in the specific reports which are attached as appendices.

2. Recommendations:

That Executive:

2.1. Recognises the priorities in this programme, the importance of good asset management and recommends to Council that the budgets identified for each project are set aside when funds are available.

2.2. Delegates authority to the Chief Executive, in consultation with the Section 151 Officer (or Deputy) and Leader of the Council (or Deputy), to give final approval to proceed once the Council's financial position is secure.

3. Reasons for the recommendation:

To make sure that the assets belonging to the Council are safe, fit for purpose and kept in a condition which will maximise their longevity and value.

The Coronavirus crisis has significantly impacted on the Council's income and will require significant in year savings. The scale of these savings means it is not possible at this stage to commit to further expenditure. Local authorities directly and through the LGA continue to press the case to Government that further support is required.

4. What are the resource implications including non-financial resources:

Our Corporate Property team is already at resource capacity on other priority actions, therefore the schemes identified will require specialist external contractors and some will project management resources to ensure performance compliance.

5. Section 151 Officer comments:

The Section 151 Officer notes the importance of each request for funding. That being said, it is important to highlight the cumulative effect on the Council's overall financial position. If all capital schemes are approved, this will add £117,597 to the medium term reductions required (£3.7m). The cost for each of the scheme is set out below.

Project	Capital Cost	Annual Cost (Revenue)
Parks Anti-intrusion measures	£112,000	£6,903
Riverside Sports Hall Roof	£2,000,000	£70,375
Corn Exchange Roof Replacement	£250,000	£8,797
Exmouth Buoy Store	£95,000	£3,343
Pinces Gardens Gate House	£16,000	£565
CCTV	£250,000	£27,614
Total	£2,723,000	£117,597

Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive, Chief Finance Officer and Leader are confident in the strength of the Council's financial position. It is highly likely that this will require further Government support to ensure that the loss of income faced during the restrictions will not force significant service reductions to be made by the Council rather than important investments in our assets.

6. What are the legal aspects?

It is essential to ensure the safety of the Council's assets in order to protect users and to minimise the risk of claims against the Council especially as it has a duty of care to ensure that any of its buildings and structures open to the public are safe.

The recommendations in this report identify the projects which require priority action.

7. Monitoring Officer comments:

Save for the legal comments above, the Monitoring Officer has no further comments.

8. Report details:

8.1. The summary table below lists the six projects which require priority action to either make them safe, improve their performance or to guard the council against excessive additional costs. The costs are taken from the recommended options but other options are explored in the detailed papers.

Project	Capital Cost	Protects Income	Health & Safety Priority	Guards against additional costs	Enables additional income	Service Priority
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Parks Anti-intrusion measures	£112,000			✓		✓
Riverside Sports Hall Roof	£2,000,000	✓	✓			✓
Corn Exchange Roof Replacement	£250,000	✓	✓	✓		✓
Exmouth Buoy Store	£95,000	✓	✓		✓	✓
Pinces Gardens Gate House	£16,000		✓			
CCTV	£250,000				✓	✓
Total	£2,723,000					

8.2. The projects listed in the table above of those which have been identified as urgent as part of a programme of increased asset inspection. They are a snapshot of the maintenance liability which the city council has to continually manage.

8.3. The financial position of the City Council, following the impacts of the Coronavirus outbreak, is unclear in both the short and medium term. Additional expenditure of £347,000 alongside the estimated loss of £1.245 million of income in April alone, against a General Fund working balance of around £4.4 million demonstrates that the Council will be able to cover just three more full-month of losses of this nature, even after receiving the £1.306 million in emergency funding. These figures do not include Council Tax and Business Rates losses, which will impact the Council in 2021-22 and income levels from our traditional sources may never fully return to previous levels. Our finances are therefore uncertain and these maintenance liabilities only add to this problem but they still need to be given due consideration for a time when our financial situation is more clear.

8.4. The individual schemes are summarised below but more detail can be found in the individual reports attached as appendices.

8.5. **Parks Anti-intrusion measures (appendix A).** In an average year, there are three incursions onto public open space which require court proceedings to regain possession. The most recent example of this was the unauthorised encampment at Lakeside Green. This caused residents of the area a huge amount of anxiety and disturbance and put a huge drain on the resources of the Council and Police. There are also a number of unrelated vehicle incursions which cause damage to our green spaces. This report seeks to put in place a number of bespoke measures for our highest risk sites.

Estimated Cost: £112,000

8.6. **Riverside Roof.** The Riverside Leisure Centre is currently undergoing an extensive refurbishment which is extremely complex and technically challenging. The existing roof above the Sports Hall is not included in the current programme but considering the scale of the refurbishment, there is an argument to have the roof replaced at the same time. The roof is reaching the end of its predicted lifespan and a proactive replacement now, would avoid further disruption in the future, reduce the risk of water damage and realise the advantages of having a contractor already mobilised on site. The repair costs have been included in this report to give a more complete picture of the asset repair demands across our portfolio.

Estimated budget required: £2 million.

8.7. Corn Exchange Roof Replacement (appendix B). The Corn Exchange is a popular, widely used and income generating entertainment venue. Following reports of water ingress, a survey of the roof was completed which identified several areas of damage. The main flat roof over the middle and rear of the building is beyond repair and given the extended lifespan of this building, a replacement roof covering is now required. Replacing the roof would stop any further water damage and enable continued use of the facility for future years.

Estimated Costs: £250,000

8.8. Exmouth Buoy Store (appendix C). This is a grade two listed building and currently the operational base for the Harbour Team whilst undertaking the Council's duties as the Port Authority. It is also home to the Council's developing commercial marine navigation operation. The estimated budget is to improve the operational facilities to an acceptable standard and to replace the slate roof covering in line with listed building requirements and to comply with our lease obligations.

Estimated Costs: £95,000

8.9. Pines Gardens Gatehouse (appendix D). The gatehouse is the main access way into Pines Gardens. The access way is currently closed off as the structure poses a health and safety risk to pedestrians from falling tiles. The roof structure has suffered from repeat vandalism over the years and a survey has identified that the roof covering has failed and the roof structure requires repair. The condition survey identified other areas which require repair.

8.10. The gatehouse is in a conservation area but has no operational use and no proposals for future use at this time. Justification of significant funding for a full repair is therefore difficult and this would be a low priority compared to our other assets. The three options considered were:

Option one: To install a replacement clay tile roof and undertake condition repairs for an estimated £85,000

Option two: To install a replacement sheet metal roof and undertake condition repairs for an estimated £77,000

Option three: Remove the failing roof covering and structure leaving the walls standing and access way open. At a future date the roof could be replaced. The roof removal would be funded from existing revenue budgets for an estimated £16,500.

Options three has been proposed as being the most cost effective way of removing the health and safety risk.

Estimated cost: £16,000

8.11. Future CCTV Provision (appendix E). The Council Control Centre runs 24 hours a day 265 days a year and monitors the public open space CCTV cameras, the Homecall alarm system and deals with all out of hours calls into the authority (not including housing repairs). The current CCTV system is aging and certain key components are now

considered obsolete. The maintenance contract ceased in March 2019 and repairs are now dealt with on an adhoc basis and repaired if they are deemed to be essential.

8.12. The system was reviewed recently by a CCTV consultant who suggested three levels of investment to prevent the failure of the system. The option proposed in the report is the 'make-do' option which replaces some core control room equipment but leaves the 'life expired' cameras and monitors. This option would also attract £50k of external funding and enable some small scale commercial operations. Further details of the other levels of investment are included in the detailed report included as appendix G.

Estimated cost: £250,000

9. How does the decision contribute to the Council's Corporate Plan?

These decisions will contribute to the Council providing value for money services, through enabling the expansion of our commercial activity and by providing improved management of our assets, maximising service delivery, value for money and longevity.

10. What risks are there and how can they be reduced?

The individual risk for each project should be examined in detail but in general not investing in our assets will

- Lead to increased health and safety risks and the assets eventual closure.
- Result in loss of income or increased additional costs
- Result in loss of service provision for the City and its residents.

11. Equality Act 2010 (The Act)

Please see the individual reports for the impacts on people with protected characteristics as determined by the Act.

12. Carbon Footprint (Environmental) Implications:

Please see the individual reports for their carbon footprint implications but there are mainly no direct carbon/environmental impacts or some minor savings.

13. Are there any other options?

Alternative options are identified in the individual reports contained in the appendices.

Director: David Bartram

Author: This covering report, David Bartram. Individual appendices by their respective authors.

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-
None

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