

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth & Resources
DATE	5 December 2019
EXEMPT	Appendix A, has a version which is exempt under paragraph 8. Estimated expenditure on Contracts. 'This report refers to the acquisition or supply of goods/services where disclosure to the public of the amount to be spent would be likely to give an advantage to a person or organisation seeking to enter a contract with the Council.'
CONFIDENTIAL	No
REPORT TITLE	Condition & Suitability 3 Year Programme – Additional Projects
REPORT NUMBER	RES/19/412
DIRECTOR	Steven Whyte
CHIEF OFFICER	Stephen Booth
REPORT AUTHOR	Alastair Reid
TERMS OF REFERENCE	Purpose 5. To approve and monitor an appropriate strategy for the Council's estate, including plans for investment, disposal and maintenance.

1. PURPOSE OF REPORT

- 1.1 This report seeks approval of additional projects for inclusion in the Condition & Suitability Programme. In line with the decision of this Committee of 26 September 2019 to not approve the budget adjustment for the Tullos Depot Salt Store project.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Approves the additional Condition & Suitability Programme projects listed in Appendix A for inclusion in the 3-year Condition & Suitability Programme and estimated budget for each project; and
- 2.2 Delegates authority to the Chief Officer - Capital, following consultation with the Head of Commercial and Procurement Services, to consider and approve procurement business cases for each of these projects for the purposes of Procurement Regulation 4.1.1; and thereafter to procure appropriate works and services, and enter into any contracts necessary for the projects without the need for further approval from any other Committee of the Council.

3. BACKGROUND

3.1 At the 26 September 2019 meeting of this Committee an updated Condition & Suitability (C&S) Programme (2019/20 – 2021/22) was approved. The recommended budget adjustment to the Tullos Salt Store project was not approved. Subsequently the Committee resolved:-

(ii) to note the currently approved projects and approves the amended estimated budgets for each project as shown in Appendix B, with the exception of the amended budget for the Tullos Depot, Salt Store project;

(viii) to refer the Tullos Depot, Salt Store project and associated business case to the Council Budget meeting of 3 March 2020 for consideration; and

(ix) to instruct the Chief Officer – Corporate Landlord to report back to this Committee on 26 November 2019 with a programme that advances projects in 2020/21, to take in account the budget for the Tullos Depot, Salt Store project not being amended.

3.2 This report seeks approval of additional projects to be included in the 3 year programme, which can now be accommodated following the Tullos Salt Store project budget not being adjusted. The proposed allocation of that budget allocation is shown in **Appendix A**. A confidential version of Appendix A is included within today's confidential reports section, which details the estimated cost for each project.

3.3 A total of six additional projects have been identified. As this is a 3 year programme it is not anticipated the additional work associated with these projects would have any impact on the deliverability of the currently approved programme.

Procurement Procedures

3.4 When inviting tenders or entering into contracts for the C&S Programme Aberdeen City Council Procurement Regulations 4.1.1.1 and 4.1.1.2 will be followed.

3.5 Contracts below £50,000 (supplies/services) or £250,000 (works). Subject to budget approval, the relevant Chief Officer may give authority to conduct any procurement where the estimated value of contract is below £50,000 (supplies/services) or £250,000 (works). The procurement shall be undertaken by a Delegated Procurer in line with Section 4.3 of these Procurement Regulations.

3.6 Contracts above £50,000 (supplies/services) or £250,000 (works). Contracts with an estimated value of above £50,000 (for supplies/services) or above £250,000 (works) shall be listed on the workplan to be submitted by the relevant Director or Chief Officer in accordance with Procurement Regulation 14.6. Each individual contract will also require a Business Case (conforming to a template approved by the Head of Commercial and Procurement Services) to be submitted by the relevant Chief Officer to this Committee. The approval of this Committee is required prior to the procurement being undertaken.

- 3.7 The projects shown in Appendix A are below the £250k (works) limit and will be procured under regulation 4.1.1.

Clinterty Travellers Site

- 3.8 A capital project to refurbish the Clinterty Travellers Site to meet minimum standards as set out by the Scottish Government was considered at the Council’s budget meeting of 5 March 2019. At that meeting it was decided that the Council would “agree to defer any decision on Clinterty Travellers Site until the ongoing discussions with the Scottish Government about whether the revenue required can be met from the Housing Revenue Account”.
- 3.9 To date those discussions have not concluded, however the requirement to meet the minimum standards remains. As such it is proposed that further development of the proposed design is progressed through the C&S Programme. The site is currently held on the General Services Account and funding for refurbishment/improvements of those assets can be funded from the C&S Suitability Programme. Should the asset ultimately transfer to the Housing Revenue Account, budget allocations will be reviewed and any necessary cost transfers made.

4. FINANCIAL IMPLICATIONS

- 4.1 The recommendation if approved would see an unallocated budget outlined in Appendix A assigned to six new projects. As such there are no implications for the C&S budget or the individual budgets associated with the currently approved projects.
- 4.2 Expenditure will be in accordance with the Council’s approved General Fund Capital budget. The budget identified in years 1-3 in the Capital programme for the Condition & Suitability (C&S) programme is £29.173m.
- 4.3 There are further allocations of £8m in 2022/23 and £8m in 2023/24. Giving a combined indicative 5-year budget of £45.173m.
- 4.4 There will be flexibility within the 3-year programme for approved projects to move between financial years, however the overall spend will remain within the total budgeted profile.

5. LEGAL IMPLICATIONS

- 5.1 All contracts to be tendered shall be done so in accordance with the ACC Procurement Regulations and the applicable legislation.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M)	Mitigation
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		High (H)	
Financial	Total cost of projects is greater than available budget.	L	Appropriate budget monitoring.
Legal	Failure to comply with the Procurement Regulations.	L	The service will contact C&PS Legal Team to review any contracts before they are entered into and will liaise with the C&PS team regarding the procurements.
Employee	If the recommendations are not approved there may be a delay in delivering improvements to places of work.	M	Continue to prioritise projects.
Customer	If the recommendations are not approved there may be a delay in delivering improvements to publicly accessible assets. Potentially leading to a poorer visitor experience.	M	Continue to prioritise projects.
Environment	None.		
Technology	None.		
Reputational	Certain projects will not be included which may be viewed negatively by the public and/or press. Given that funding would be in place for many other projects the risk would be low.	L	This risk could be managed through appropriate communications.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous People	The C&S programme has no specific impact on the LOIP Themes. However, assets benefitting from improvement will continue to provide accommodation

	for the delivery of services, which would support a number of themes.
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Design Principles of Target Operating Model	
	Impact of Report
Partnerships and Alliances	The C&S programme has no specific impact but individual projects may link to the TOM Design Principles.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

- 9.1 Condition & Suitability 3-year programme report to City Growth & Resources Committee 26 September 2019 (item 11.6).
<https://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=618&MIId=6705&Ver=4>

10. APPENDICES

- 10.1 Appendix A – Additional Projects

11. REPORT AUTHOR CONTACT DETAILS

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