

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	05 November 2025
EXEMPT	Appendix B has a private 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
REPORT NUMBER	F&C/25/232
DIRECTOR	Eleanor Sheppard
CHIEF OFFICER	Stephen Booth
REPORT AUTHOR	Andrew Jones
TERMS OF REFERENCE	1.1.5, 1.1.8, 4.1

1. PURPOSE OF REPORT

- 1.1 This report seeks approval of an updated 3-year Condition and Suitability (C&S) Programme.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes the projects completed in 2024/25 and those completed or legally committed to date in 2025/26, as shown in Appendix A;
- 2.2 Approves the new framework for planning and managing the Condition and Suitability Programme as set out in this report;
- 2.3 Notes the new and existing projects listed in Appendix B which have been prioritised for inclusion in the Condition & Suitability Programme over the next three years;
- 2.4 Approves the allocation of Condition and Suitability capital funding for 2025/26 to 2027/28, to create high level workstream budgets as set out at paragraph 3.14 of this report, and delegates authority to the Chief Officer – Capital, following consultation with the Chief Officer – Corporate Landlord, to: approve projects to be taken forwards within these workstreams; and, following consultation with the Convener of the Finance and Resources Committee, to vire funds between workstream budgets, should this be deemed necessary to

address new emerging priorities, and/or to ensure maximum efficiency of programme delivery, with such changes to be reported retrospectively to the Committee.

- 2.5 For the purposes of Procurement Regulation 4.1.1.2, delegates authority to the Chief Officer – Capital, following consultation with the Chief Officer - Commercial and Procurement Services, to: consider and approve procurement business cases for projects within each of the workstreams listed in this report; 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. CURRENT SITUATION

- 3.1 This report brings together, for Members' approval, the proposed 3-year Condition & Suitability (C&S) Programme (2025/26 – 2027/28), for condition and suitability works on the Council's General Fund property portfolio. The report provides an update on the completed and committed projects and other changes to the programme in the last year, seeks approval of the revised 3-year programme, and proposes the adoption of a new framework for the future planning and management of the programme.

Progress since last annual update

- 3.2 Since the last C&S Programme update report to the Committee in September 2024, a total of 48 projects to improve the condition and/or suitability of buildings across the property portfolio have been fully completed. These projects are listed at Appendix A.
- 3.3 Budgets for some of the individual projects which made up the approved programme in September 2024 were found to be insufficient, and this required use of the approved contingency fund to increase budgets, or the removal of some projects from the programme to free up funding. In addition, some urgent new priorities were identified, so a number of new projects were added to the programme, utilising the contingency budget to ensure these priorities could be addressed timeously.
- 3.4 Over the last 12 months the contingency budget was used for the following projects:
- Tolbooth Museum – repairs to internal plaster works and internal archway stabilisation (new project)
 - The Bush Depot, Culter Road – roof replacement (additional budget)
 - Denmore Depot – new welfare facilities (additional budget)
 - Dyce Academy – kitchen ventilation upgrade (additional budget)
 - Central Library – Children's Library lift replacement (additional budget)
 - Glashieburn School – replacement facias and soffits (additional budget)
- 3.5 The projects which were removed from the programme in line with the 2024 Committee approved recommendations were:

- Kincorth Library – curtain wall replacement
- Quarryhill School – boiler replacement
- Westburn Tennis Centre – roof recladding
- Abbotswell School – kitchen refurbishment
- Dyce Community Centre – heating replacement
- Glashieburn School – replacement windows

Updated Programme: Proposed new Framework

3.6 In previous years, the C&S Programme has been compiled from an extensive list of individual projects, each with an allocated project budget, to address a wide range of identified priorities for improving the condition and / or suitability of buildings across the property portfolio, and which are planned to be carried out over a three year period. Running the programme from this individual project approach has presented a number of challenges, including:

- Each new proposed project must be assigned a budget cost before it can be added to the programme for approval. There is insufficient time for officers to carry out detailed costings for each project at the proposal stage, and this means that approved project budgets are often based on very high level estimates only.
- In recent years due to greater volatility in the construction market, there has been an increasing tendency for budget estimates to be significantly under (and in some cases significantly over) the actual costs for delivering the project.
- Where project budgets are found to be insufficient at tender stage, other approved projects need to be removed from the programme, or the contingency budget needs to be accessed to free up additional funding, and a formal change control process is required to re-allocate budgets within the programme, before tenders can be accepted. This impacts on officer time and the efficiency of delivering the programme.
- Committing annually to fixed budgets at individual project level restricts flexibility in managing the programme, and for dealing with urgent new priorities which arise mid-year. A formal change control process is required to add in new projects, which can create delays before new urgent priorities can be progressed. This also impacts on officer time.
- Focusing only on priorities for individual buildings, to determine which projects to take forwards, restricts opportunities to manage the C&S programme strategically, and to prioritise limited C&S funding on key areas of investment, to maintain the property portfolio as a whole.

3.7 To address these challenges, a new approach to planning and managing the C&S programme is proposed. The new approach involves establishing a small number of high level C&S workstreams, which would provide opportunities to channel investment in a more focused way. This would ensure the limited capital funding available for the C&S programme is used more strategically, to

address the highest priorities for maintaining and developing the property portfolio as a whole.

- 3.8 Officers have identified the following workstreams, which would be used to plan, manage and report on progress within the C&S Programme:

<u>Workstream</u>	<u>Description</u>	<u>Example Types of Work</u>
External Fabric Repairs	External works required to keep buildings wind and water tight and/or to improve their energy efficiency and reduce carbon emissions, and to improve external environments	<ul style="list-style-type: none"> • Roofing works • Structural works • Window / door replacements • Fence & gate repairs / replacements • Ground works / resurfacing
Mechanical & Electrical Upgrades	Upgrades to key infrastructure, to reduce carbon emissions and running costs, and to ensure buildings remain safe and compliant	<ul style="list-style-type: none"> • Boilers & heating upgrades • Lighting upgrades • Fire alarm repairs / replacement • Lift repairs / replacement
Internal Refurbishment	Improvements to internal environments to ensure buildings remain suitable and fit for service delivery	<ul style="list-style-type: none"> • Kitchen upgrades • Toilet & welfare upgrades • Flooring replacement • General redecoration
Statutory / Corporate Requirements	Works required to ensure buildings remain safe, secure and compliant with legislation and local / national policy requirements	<ul style="list-style-type: none"> • Health and safety improvements • Accessibility improvements and upgrades • Security improvements
Minor Urgent Works	Minor (low cost) works of an urgent nature which are required to ensure buildings can remain operational	<ul style="list-style-type: none"> • Urgent health and safety repairs • Asbestos removal • Urgent accessibility improvements • Other urgently required and unforeseen repairs / upgrades
Rolling Programmes	Existing rolling programmes of essential maintenance and infrastructure upgrades, and development work to scope out complex projects prior to them being added to the programme	<ul style="list-style-type: none"> • Playground equipment maintenance and upgrades • Memorial stabilisation • School fixed equipment, fixtures & fittings repairs and upgrades • Greenspace paths, walls & fence repairs • Development work / project scoping

- 3.9 Rather than assigning budgets to individual projects, an overall budget figure would be attached to each workstream, and it is recommended that the Committee approves the C&S programme based on these workstream budgets, rather than on individual project budgets, with authority delegated to the Chief Officer – Capital, in consultation with the Chief Officer – Corporate Landlord, to determine which projects should be prioritised within each workstream.
- 3.10 This would provide a clear picture of how effectively C&S Programme funding is being used to target the most significant priorities for maintaining the property estate. It would also provide greater flexibility within the programme, for funding

to be allocated to projects more dynamically, at the point at which actual project costs are known, and for newly identified priority projects to be included within the programme as they arise, rather than waiting until the next annual update report to the Committee before these can be approved.

- 3.11 Full details of the projects which have been taken forwards within each workstream, along with the actual costs incurred to date for each project, would be reported to the Committee at the end of each year, as part of the annual C&S Programme update report.

Proposed Programme for 2025/26 – 2027/28

- 3.12 The revised C&S programme for the next three years has been planned using the above proposed new framework, and is presented below and at Appendix B, for the Committee's consideration and approval. If approved, this would replace the previous programme. It was prepared utilising existing property information and after discussions with relevant Council services.
- 3.13 The total profiled budget allocation for the 3 year programme, which was approved at the Council Budget meeting in March 2025, is **£26.045m**. Projects with a value of £5.487m have already been completed or are legally committed in 2025/26. The completed and legally committed projects are detailed in Appendix A. The remaining available budget for the three year programme is therefore **£20.558m**
- 3.14 It is proposed that these budgets are allocated to each C&S workstream over the next three years as follows:

<u>Workstream</u>	<u>Budget Allocation</u> <u>2025/26 – 2027/28</u> <u>(£'000)</u>
External Fabric Repairs	8,650
Mechanical & Electrical	6,700
Internal Refurbishment	2,690
Rolling Programmes	1,058
Statutory / Corporate Requirements	980
Minor Urgent Works	480
Total:	20,558

- 3.15 Appendix B shows the previously approved and proposed new C&S projects which have been identified as priorities for delivery within the programme over the next three years, along with an indication of which workstream these projects fall within. The cost estimates for each project as shown in the exempt version of the appendix have been used as a guide to determine the above workstream budget allocations, however these are indicative estimates only, and are subject to change as the projects are developed and more accurate costings are obtained. The figures are therefore not intended to be used as fixed project budgets.
- 3.16 Potential new projects for future programmes, which are of a more complex nature and require further investigation to establish a clear scope of works and reliable estimated costs, have been identified and are shown in **Appendix C**. Work on scoping and costing these projects will be carried out over the course of this year, with a view to them being considered for inclusion in the programme at a future date. The scoping work will be funded from the development budget which has been included within the Rolling Programmes workstream, and will help ensure there is confidence in the cost estimates for these more complex projects prior to them being added to the programme. This scoping work will also help to inform the development of separate business cases, where these are required for the larger, potentially higher value projects.
- 3.17 It should be noted that Appendix C is not an exhaustive list of potential condition and suitability projects. Further projects requiring scoping work may be identified over the course of the coming year and will be added to the scoping list as appropriate.
- 3.18 Ongoing work associated with the Transformation Programme, the City Centre / Beach Masterplans and the School Estate Plan will lead to changes to the asset portfolio. This may mean that further projects will be removed from the C&S programme. This could also create additional investment requirements for potential inclusion in the programme.
- 3.19 It is recommended that authority is delegated to the Chief Officer – Capital, in consultation with the Chief Officer – Corporate Landlord, to make changes as necessary to the lists of projects to be included within each workstream, to reflect any changes to the estimated costs for delivering projects which may arise as projects develop, and to add new projects to the programme as required, to address any emerging priorities which may arise during the coming year. It is also recommended that authority is delegated to the Chief Officer – Capital, in consultation with the Convener of the Finance and Resources Committee, to vire funding between workstream budgets, should this be required to ensure the efficient delivery of the programme, or to address any emerging priorities over the coming year.

Procurement Procedures

- 3.20 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, as described below:

- 3.21 4.1.1.1. Contract Value below £50,000 (supplies/services), £250,000 (works) or £4.5m (concessions): *Subject to budget approval, the relevant Chief Officer may give authority to conduct any procurement where the estimated Contract Value is below £50,000 (supplies/ services) or £250,000 (works), and following consultation with the Co-Leaders of the Council or Convener of the Finance and Resources Committee, the Head of Commercial and Procurement may give authority to conduct any procurement where the estimated Contract Value of a Concession Contract is below £4.5m. Such procurements shall be undertaken by a Delegated Procurer in line with Section 4.3 of these Procurement Regulations.*
- 3.22 4.1.1.2. Contract Value above £50,000 (supplies/services) £250,000 (works), or £4.5m (concessions): *Contracts with an estimated Contract Value of above these thresholds 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) to be submitted by the relevant Chief Officer to the Council or the Finance and Resources Committee as appropriate or where the contract relates to a capital project that is already part of the Capital Programme, to the Director of Resources.*
- 3.23 The value of the majority of the projects is expected to be below the £250k (works) limit and these will be procured under regulation 4.1.1.1. If recommendation 2.5 in this report is accepted, any projects with an estimated contract value greater than £250k will require a procurement business case, to be approved by the Chief Officer – Capital following consultation with the Chief Officer – Commercial and Procurement Services. Should the recommendation not be accepted then these projects will be procured under regulation 4.1.1.2, and the procurement business cases would be submitted for approval as part of an appropriate update of the Resources workplan.

Programme Monitoring and Reporting

- 3.24 Monitoring of the programme will be carried out in line with the capital monitoring procedures. This includes regular progress reports to the Capital Board chaired by the Chief Officer - Capital.
- 3.25 An annual report to the Finance and Resources Committee will be required to add a further year to the programme. Details of actual projects completed in the last year along with the actual cost of each project will be included in the annual report.

Property and Estates Strategy and Statutory Performance Indicators

- 3.26 The approved Property and Estates Strategy has the following strategic aim for property assets:-

“The Council will provide property, working with partners, where appropriate, which supports the Council in the delivery of quality services by being fit for purpose, accessible, efficient, suitable, sustainable and delivered within budget constraints”.

- 3.27 Targets for improving the percentage of assets which are in an acceptable satisfactory condition and level of suitability, and for reducing the required maintenance levels, are reported through the Statutory Performance Indicators (SPI). The C&S programme along with the rationalisation of our portfolio and property related capital projects will provide the main tools for meeting these targets. **Appendix D** of this report provides the SPI definitions and graphical representation of the trends across the last 5 years.

4. FINANCIAL IMPLICATIONS

- 4.1 Expenditure will be in accordance with the Council's approved General Fund Capital budget. The budget identified in years 1-5 in the Capital programme for the Condition & Suitability (C&S) programme is £43,545,000, with £26,045,000 currently allocated to years 1-3.
- 4.2 There will be flexibility within the 3-year programme for expenditure 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 in a way to comply with the ACC Procurement Regulations and relevant legislation.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 Fifty-one projects on the indicative programme will contribute positively to improving the environmental performance and climate resilience of the Council's assets. These are indicated in Appendix B. The majority of these projects are window/door replacements, heating replacements, lighting replacements and roof replacements.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified			

Compliance	Many projects are required to make assets safe. If projects are not completed issues could occur.	Appropriate prioritisation of projects. Committee approval to add projects as per recommendation 2.4.	L	Yes
Operational	Assets are required to support service delivery. If projects are not completed the delivery of services could be affected.	Appropriate prioritisation of projects. Committee approval to add projects as per recommendation 2.4.	L	Yes
Financial	Total cost of projects is greater than available budget.	Appropriate budget monitoring. Flexibility in new programme framework to make changes to the programme to remain within available budget.	L	Yes
Reputational	None identified.			
Environment / Climate	Investment in assets may not positively impact on the environment.	Careful specification of equipment, materials and components.	L	Yes

8. OUTCOMES

COUNCIL DELIVERY PLAN 2023-2024	
	Impact of Report
Aberdeen City Council Policy Statement	The proposals in this report have no impact on the Council Delivery Plan.
Aberdeen City Local Outcome Improvement Plan 2016-26	
Prosperous Economy Stretch Outcomes	The proposals in this report have no impact on the Prosperous Economy Stretch Outcomes.

Prosperous People Stretch Outcomes	The proposals in this report have no impact on the Prosperous People Stretch Outcomes.
Prosperous Place Stretch Outcomes	The proposals in this report have no impact on the Prosperous People Stretch Outcomes Prosperous Place Stretch Outcomes.
Regional and City Strategies	The proposals within this report supports the approved Property and Estates Strategy strategic outcomes in particular 'Assets will be fit for purpose, in appropriate condition and with appropriate utilisation' and 'Assets will be environmentally sustainable'.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I confirm this has been discussed and agreed with Stephen Booth, Chief Officer – Corporate Landlord on 8 October 2025
Data Protection Impact Assessment	Not required
Other	None

10. BACKGROUND PAPERS

- 10.1 Finance & Resources Committee, 12 September 2024: [Condition & Suitability 3 Year Programme – F&C/24/283](#)

11. APPENDICES

- 11.1 Appendix A – Complete or Committed Projects
- 11.2 Appendix B – Indicative Programme
- 11.3 Appendix C – Future Projects for Scoping
- 11.4 Appendix D - SPI Tables

12. REPORT AUTHOR CONTACT DETAILS

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