

COMMITTEE	Finance Policy & Resources
DATE	29 June 2017
REPORT TITLE	Condition & Suitability Programme – Approved Changes
REPORT NUMBER	CHI/17/145
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Alastair Reid
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT:-

- 1.1 To advise the Committee of the changes made to the three year Condition & Suitability Programme.

2. RECOMMENDATION

- 2.1 It is recommended the Committee note the changes made to the Condition & Suitability Programme.

3. BACKGROUND/MAIN ISSUES

- 3.1 The Council's Condition & Suitability (C&S) 3 Year Programme 2016/17 to 2018/19 was approved at the Finance Policy & Resources Committee on 20 September 2016. At this Committee it was resolved to:-

(e) delegate authority to the Head of Land and Property Assets, in consultation with the Strategic Asset & Capital Board and the Convener and Vice Convener of this Committee, to amend the Programme should priorities change due to unforeseen circumstances during the year, with such changes to be reported to the Committee as a bulletin report;

(f) delegate authority to the Head of Land and Property Assets, in consultation with the Strategic Asset & Capital Board and the Convener and Vice-Convener of this Committee, to allocate projects or additional budgets to/from a £500k contingency fund, with such allocations to be reported to the Committee as a bulletin report;

to approve the recommendations subject to amending recommendations (e) and (f) above to instruct officers to submit a full reports rather than bulletin reports to the Committee.

- 3.2 In line with this resolution a number of changes have been made to the programme and are summarised below. A confidential appendix (Appendix A) identifies the budgetary implications of the changes.

- 3.3 Change 1 – New Project. Aberdeen Treasure Hub.
- 3.3.1 Work – Additional security measures, additional Mechanical & Electrical works, revised fire stopping and gas suppression testing.
- 3.3.2 Reason – The building was handed over to the Council in August 2016. Following discussions with the Council’s insurers it was apparent that the building had to meet further insurance requirements which were not anticipated in the design phase. This work was essential to ensure the building would have sufficient insurance cover and thus be capable of being fully utilised.
- 3.4 Change 2 – New Project. Balnagask House.
- 3.4.1 Work – Call system replacement.
- 3.4.2 Reason – The system is obsolete and does not provide suitable coverage for this home for the elderly. Funding is already allocated to a similar system replacement at Fergus House. Cost estimates indicate that the budget could cover the replacement of both systems. There may be financial advantages to grouping the projects together into one contract.
- 3.5 Change 3 – Additional Budget. Greenbrae School.
- 3.5.1 Work – The extension to Greenbrae School includes a new nursery.
- 3.5.2 Reason – C&S funding was previously allocated to the refurbishment and access improvements to the existing building. The additional funds are specifically for the new nursery element of the extension which contribute significantly to early learning and childcare provision. As part of the grant settlement from the Scottish Government allocations have been given for increasing early learning and childcare provision. To date those allocations have been merged into the C&S programme due to the nature of work.
- 3.6 Change 4 – Additional Budget. Ashgrove Nursery.
- 3.6.1 Work – Development of a forest nursery.
- 3.6.2 Reason – Officers within Education & Childrens Services have now fully scoped the requirements which are more extensive than first indicated. The existing budget did not cover the full extent of work required. This project contributes to the increase in early learning and childcare provision.
- 3.7 Change 5 – New Project. Riverbank Primary.
- 3.7.1 Work – Installation of an additional nursery toilet. Including new partitions, alterations to services and new flooring.

- 3.7.2 Reason – To increase number of nursery places to 50. This project contributes to the increase in early learning and childcare provision.
- 3.8 To make provision for the new projects and additional budget requirements, changes to the programme are required to offset this. In addition to using £470k of the contingency the following changes have been made:-
- 3.9 Change 6 – Budget Reduction. Fergus House.
- 3.9.1 Work – Call system replacement.
- 3.9.2 Reason – Estimated costs less than anticipated. Remaining budget re-allocated to similar project at Balnagask House.
- 3.10 Change 7 – Underspend. Cowdray Hall.
- 3.10.1 Work – Roof repairs.
- 3.10.2 Reason – The budget allocation was based on potentially having to re-roof the entire dome. More detailed inspections identified that this was not required and work has now been completed on part of the dome/roof leaving an underspend.
- 3.11 Change 8 – Underspend. St Joseph’s RC Primary.
- 3.11.1 Work – Toilet refurbishments.
- 3.11.2 Reason – The toilets identified as unsatisfactory by the Care Inspectorate have been refurbished. A large part of the budget remained following the completion of that work. Due to the importance of the additional Education projects it was agreed to reallocate the funds. It is recognised that further toilets need to be refurbished at the school. They will be considered for inclusion in the revised C&S programme.
- 3.12 Change 9 – Deferred Project. Fernielea School.
- 3.12.1 Work – Alterations and reconfiguration to create additional classrooms.
- 3.12.2 Reason – Due to the importance of the additional Education projects it was agreed to defer this project. Subject to Committee approval the project will be added back into the C&S Programme at the September meeting of this Committee. This project was scheduled for 2018/19 which would still be possible if included in the revised programme.
- 3.13 Change 10 – Budget Reduction. Bridge of Don Academy.
- 3.13.1 Work – Toilet refurbishments.

3.13.2 Reason – Budget covers a number of toilets which may have to be phased due to the number involved. Reducing the budget leaves a substantial budget available to carry out several of the refurbishments. The remaining toilets will be considered for inclusion in the revised C&S programme.

3.14 The combined budgetary requirements of the new projects and additional work is £900k. This is offset by the use of contingency and the changes identified, which also amount to £900k. A detailed breakdown is shown in Appendix A.

4. FINANCIAL IMPLICATIONS

4.1 The overall budget across the three years remains unchanged. The £500k C&S contingency has been reduced to £30k. With the three year programme scheduled to be updated for the September meeting of this Committee it is unlikely a reduced contingency will create any issues. If there is an urgent requirement then budget can be made available by the deferring of projects scheduled for year two or year three.

4.2 Corporate fees of 15% are included with the figures stated in the report and Appendix A.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendation of this report.

6. MANAGEMENT OF RISK

6.1 **Financial**
Report for noting. No risk identified.

6.2 **Employee**
Report for noting. No risk identified.

6.3 **Customer / citizen**
Report for noting. No risk identified.

6.4 **Environmental**
Report for noting. No risk identified.

6.5 **Technological**
Report for noting. No risk identified.

6.6 **Legal**
Report for noting. No risk identified.

6.7 **Reputational**
Report for noting. No risk identified.

7. IMPACT SECTION

7.1 **Economy**

Report for noting. No impact on the strategic theme of economy.

7.2 People

Report for noting. No impact on the strategic theme of people.

7.3 Place

Report for noting. No impact on the strategic theme of place.

7.4 Technology

Report for noting. No impact on the strategic theme of technology.

8. BACKGROUND PAPERS

- 8.1 Condition & Suitability Programme 3 Year Programme 2016/17 – 2018/19 report to Finance Policy & Resources Committee 20 September 2016.

9. APPENDICES

- 9.1 Appendix A – Approved Changes (Confidential).

10. REPORT AUTHOR DETAILS

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