

Subject:	Asset Management Fund 2010/2011		
Date of Meeting:	22 April 2010		
Report of:	Director Of Finance & Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 29-1450
		Nigel McCutcheon	29-1453
	E-mail:	angela.dymott@brighton-hove.gov.uk	
		nigel.mccutcheon@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No: CAB14962	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 The Asset Management Fund (AMF) 2010/11 is a corporate investment fund to support property improvements, property related Health & Safety requirements and access improvements under the Disability Discrimination Act 1995. It forms part of the Capital Strategy 2010/11 along with the Strategic Investment Fund (SIF) of £0.6m and the ICT Strategy Fund of £0.5m. Corporate funds within the Capital Strategy are funded through a combination of capital receipts and planned revenue contributions. The AMF for 2010/11 consists of a budget of £1.0 million.
- 1.2 This report should be read in conjunction with the Accommodation Strategy Report previously agreed at Cabinet on 14 January 2010, and seeks approval for the £0.445m balance of the 2010/11 allocation.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves the recommended Asset Management Fund bids totalling £0.445m, as detailed in paragraph 3.3 of this report and at Appendix A.

3. RELEVANT BACKGROUND INFORMATION:

- 3.1 The AMF is managed and administered by Property & Design and relates to property related works or improvements to council properties that address three key areas:
- 1) General property improvements (not covered by planned maintenance or other funding streams)
 - 2) Disability Discrimination Act (1995) Improvements
 - 3) Health & Safety Property related legislation
- 3.2 Bids are normally sought annually from departments, which are then evaluated and recommendations made as to which will be implemented. However, £0.555 million of the 2010/11 AMF allocation has already been approved in the Cabinet

report of 14 January 2010, to part fund the Corporate Accommodation Strategy relating to the relinquishing of the lease on Priory House in 2011.

3.3 The proposed overall AMF allocation is as follows:

Description	Cost £
<i>Previously approved at 14 January Cabinet 2010:</i>	
<i>Property Improvements</i>	
<i>Corporate Accommodation Strategy: Priory House/ Bartholomew House</i>	555,000
Approval sought in this report:	
1 Property Improvements	
Renewable energy installations on capital projects	95,000
2 DDA Improvements	
Rolling programme of access improvements works as required by corporate DDA surveys	165,000
3 Health & Safety Property Related Legislation	
Asbestos Management	40,000
Legionella Management	30,000
Fire Risk Assessment Works – on going programme	115,000
Sub Total	445,000
TOTAL	1,000,000

3.4 Details of the individual recommendations are as follows:

1 Property Improvements

Corporate Accommodation Strategy: Priory House/Bartholomew House

The Cabinet report of 14 January 2010 detailed proposals to relinquish the lease of Priory House in 2011. In order to do this, work will be required to Bartholomew House to create a new ground floor public service point, combining those facilities currently provided in Priory House, plus the refurbishment of the first and fourth floors to re-locate staff.

Renewable Energy Projects

This funding will provide match funding for grants from the Low Carbon Building Programme for the cost of providing renewable energy installations on new build capital projects such as solar panels for the Bartholomew House refurbishment. It will contribute to the 10:10 campaign through energy efficiency savings, reducing energy demand and CO₂ emissions.

2 Disability Discrimination Act (DDA) Improvements

Rolling programme of access improvement work

This bid will contribute towards the rolling programme of access works being carried out under the Disability Discrimination Act (DDA)1995, as required by the prioritised access surveys. We are currently on target to achieve the performance indicator of 75% for 09/10 and the proposed works will enable us to achieve a further 5% in 10/11, towards the target of 80%. We will be reviewing the DDA strategy in 10/11 and the prioritisation criteria for funding the rolling programme

of access works for as we approach the 100% target it becomes more difficult and costly to achieve the required annual 5% increase in DDA improvements.

3 Health & Safety Property Related Legislation

Asbestos requirements

On going surveys are required to update the Corporate Asbestos Register and fund the annual cost of the asbestos section of the Corporate 'Safety Online' software system and asbestos re-inspections. Following asbestos re-survey information prioritised re-inspections are the current focus.

Legionella Works (L8)

On going works under a prioritised programme of remedial works are required to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice – HES-L8 to prevent the occurrence of legionella in installed equipment and water systems. The funding in the AMF goes towards improvement works. Planned and term maintenance legionella water treatment works are undertaken through the corporate, social care and schools annual works programme totalling approximately £610k, comprising £295kpa through the corporate Planned Maintenance budget and £315kpa through the social care and schools Planned Maintenance budgets.

Fire Risk Assessment Works

This bid contributes towards a prioritised rolling programme of works to council properties following Fire Risk Assessments of council properties. In-house fire risk assessments are undertaken annually by the Health, Safety & Wellbeing team. Various works have been identified and this bid will allow the highest priority works to be completed in accordance with the Regulatory Reform (Fire Safety) Order 2005.

4. CONSULTATION

- 4.1 Detailed consultations are being carried out over 2010 with staff, unions and other parties relating to the Corporate Accommodation project. Consultations are also taking place with adjoining building owners in Bartholomew Square - Moshi Moshi and The Thistle Hotel.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Capital Resources and Capital Investment Programme 2010/11 approved at Council on 25 February 2010 included the allocation for the Asset Management Fund (AMF). If the allocations from the AMF are approved they will be incorporated into the 2010/11 capital programme and revenue budget.
- 5.2 Under the International Financial Reporting Standards (IFRS) introduced in 2010/11 certain expenditure formerly treated as capital expenditure is now required to be treated as revenue expenditure. Costs associated with repairs and maintenance that do not add value to an existing asset should not be capitalised and will be incorporated into the revenue budget. This will include elements within the AMF associated with Health and Safety Property Related Legislation

costs. The overall resources for the AMF remain the same but they will be accounted for within both the capital and revenue budget.

- 5.3 It should be noted that there is no provision to meet additional revenue costs arising from any schemes and departments should plan to meet any such cost from within their own budgets

Finance Officer Consulted: Rob Allen

Date: 09/03/10

Legal Implications:

- 5.4 Cabinet is authorised to agree the recommendation at 2.1 so long as the £0.445m recommended bids fall within the agreed AMF budget for 2010/11. The bids fulfil legislative requirements under health and safety law and the Disability Discrimination Act 1995.

Lawyer Consulted:

Oliver Dixon

Date: 10/03/10

Equalities Implications:

- 5.5 The provision of on going access works under the rolling programme will assist in the Council meeting requirements under the Disability Discrimination Act 1995. The Corporate Accommodation Strategy has been subject to a full Equalities Impact Assessment.

Sustainability Implications:

- 5.6 The proposed provision of renewable energy sources to projects will reduce carbon emissions and increase renewable energy generation. Reductions in carbon emissions will be gained by using low energy fittings and solar thermal panels in the accommodation improvements at Bartholomew House. All these measures will also assist in improving Display Energy Certificate ratings.

Crime & Disorder Implications:

- 5.7 The works at Bartholomew House will include environmental Improvements to Bartholomew Square, including the removal of the existing colonnade, which in previous years has been the focus of some anti-social behaviour. Discussions are continuing with Moshi Moshi and The Thistle on further improvements to the Square.

Risk & Opportunity Management Implications:

- 5.8 Where works are to be carried out, each department responsible will undertake risk assessments and apply CDM (Construction & Design Management) Regulations where applicable. The Corporate Accommodation project has a dedicated project risk register which is updated for each Project Board Meeting.

Corporate / Citywide Implications:

- 5.9 The Corporate Objectives are supported through making better use of civic accommodation in line with the Corporate Accommodation Strategy and reducing

carbon emissions with further energy efficiency measures contributing to the council's 10:10 campaign.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Failure to improve the council's main office accommodation, address property related access obligations under the DDA 2005 and Health & Safety legislation would increase council risks and liabilities, inhibit service delivery, may lead to a negative perception of the council, reduce the value of our assets and prevent fulfilling the council's priorities, aims and objectives as stated in the Corporate Property Strategy and Asset Management Plan 2008-2011.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To approve the financial allocation and the recommended bids as detailed at paragraph 3.3 and Appendix A for property improvements, access requirements under the Disability Discrimination Act 1995 and property related Health & Safety requirements for 2010-2011.

SUPPORTING DOCUMENTATION

Appendices:

- A. Asset Management Fund: Summary of Bids

Documents in Members' Rooms

None

Background Documents

None

