

BABERGH DISTRICT COUNCIL

From: Head of Contract and Asset Management	Report Number: M40
To: Strategy Committee	Date of meeting: 14 June 2012

2012/13 CAPITAL PROGRAMME

1. PURPOSE OF REPORT

- 1.1 This report seeks approval to implement two capital schemes within the Council's current General Fund, and two capital schemes within the current Housing Revenue Account.

2. RECOMMENDATION

- 2.1 That capital expenditure from the Council's General Fund and Housing Revenue Account is approved to carry out the proposed works outlined in the table in paragraph 8.1 below.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications. The proposed works can be funded from existing budgets in 2012/13.

4. RISK MANAGEMENT

- 4.1 This report is most closely linked with the Council's Significant Business Risk No.9 – Management of Projects & Programmes.
- 4.2 Other key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Resurfacing at Calais Street: Potential accidents due to trip hazards in existing surfacing.	High	Critical	Provide new surfacing
New Roof to Industrial Unit: Lack of replacement will result in loss of rental income, additional maintenance and potential claims for damages from leaseholders.	Very high	Critical	Provide new roof covering

Risk Description	Likelihood	Impact	Mitigation Measures
Resurfacing of Access Road at Spring Close: Further deterioration in surface quality will increase the likelihood of potential accidents due to trip hazards in existing surfacing.	High	Critical	Provide new surfacing
Major Improvements to 4 Lewis Lane: Further deterioration in the condition of the property and potential loss of rental income.	High	Critical	Undertake full refurbishment as soon as possible

5. **CONSULTATIONS**

- 5.1 The improvement works at Calais St. Recreation Ground were identified as a key priority in the joint consultation of Hadleigh residents by Babergh and the Hadleigh Town Council in 2011.

6. **EQUALITY ANALYSIS**

- 6.1 The refurbishment at 4 Lewis Lane will ensure that the property can be quickly modified for a tenant with disabilities if required.

7. **SHARED SERVICE / PARTNERSHIP IMPLICATIONS**

- 7.1 There are no shared service/partnership implications affecting or resulting from these procurements.

8. **KEY INFORMATION**

- 8.1 Approval is required for: the following schemes to proceed from the Council's General Fund and its Housing Revenue Account (HRA):

Budget 12/13 (£)	Work Category & Scheme	Estimated Cost (£)	Balance of Budget Remaining after approval of these schemes (£)
<u>GENERAL FUND:</u> 77,900	Corporate Buildings/Assets: Reconstruction of Calais Street. entrance and parking area New roof to Unit 1, Wyndham Rd. Ind. Estate	20,000 15,000	29,000

Budget 12/13 (£)	Work Category & Scheme	Estimated Cost (£)	Balance of Budget Remaining after approval of these schemes (£)
<u>HRA:</u> 30,100	Est. Improvements: Reconstruction and resurfacing at Spring Close, Lavenham	23,000	7,100
102,500	Major Refurbishments: Improvements to 4 Lewis Lane, Stutton	55,000	47,500

GENERAL FUND SCHEMES

Reconstruction of entrance and parking area at Calais Street Recreation Ground, Hadleigh:

- 8.2 The Calais Street Recreation Ground has been the subject of several recent improvements. Last year the basket ball/kick around area was resurfaced and the new playgroup building was opened. The original entrance and parking areas were nearing the end of their life before these works were carried out, but the wear and tear caused by the construction-related traffic for these two projects has now left them in a poor state.

Tenders have therefore been sought to resurface the existing tarmac entrance and parking area. The cost of the project is £20,000.

Unit 1, Windham Road Industrial Estate, Sudbury:

- 8.3 The above property is within the Council's investment portfolio. It has been on the market for rent since 2009 and has recently been leased on a short-term arrangement to a local company at an income of £12,000 per annum. This is the third short term arrangement in between periods where the unit has been vacant (10 months since 2009).
- 8.4 The roof is in poor condition. Our agent has indicated that we will have considerable difficulty finding any long-term tenant unless the roof is fully repaired or renewed. It has been the subject of several minor repairs, but the recent period of prolonged rain has resulted in the current tenant being unable to use the unit due to water ingress. We will therefore have to reimburse some of the rent received.

Quotations have therefore been sought, giving the estimated cost of replacing the roof at £15,000. It is proposed to proceed with the project to secure the long-term rental viability of the unit.

HOUSING REVENUE ACCOUNT SCHEMES

Major Improvements to 4 Lewis Lane, Stutton

- 8.5 This is a detached 3-bed bungalow (circa 1927) and is one of the few system 'block-built' bungalows still in Council ownership. As with all our other block-built bungalows, this dwelling was offered to a housing association due to the investment required. However this one was declined due to the location not having any vehicular access.

The Council is therefore left in a position where we either demolish the property or refurbish it ourselves. Our Valuer has indicated that the property will rise in value from £30K to £125K when fully refurbished, so major improvements been recommended to the Housing Panel and accepted. The proposed works are:

- Remove a substantial amount of asbestos based materials.
- Carry out remedial structural works to the roof structure.
- Replace metal windows in PVCu
- Replace front and side entrance doors
- Apply an insulation system to the external walls
- Reline internal partitions and ceilings
- Insulate the roof space
- Renew existing hot and cold water services and heating system
- Re-wire
- Erect new boundary fences.

The estimated cost of the work is £55,000. Costs are heavily loaded because of the lack of vehicular access. All materials, either disposed or delivered, have to be carried along an existing alleyway to the property.

Approval to this project was sought from your committee in February 2012 (Paper L148 refers), but approval was deferred to investigate whether the property could be demolished and two units constructed despite the access difficulties.

Unfortunately detailed discussions with our planning colleagues have indicated that permission for two units would not be forthcoming due to access and parking problems.

Approval is therefore sought again to proceed with the original proposal to bring the property back into stock as soon as possible.

Access Road to Flats and Garage Compound at Spring Close, Lavenham

- 8.6 The surfacing of the above access road is now in a very poor condition and needs replacement. The estimated cost to reconstruct 700 sq. metres of existing tarmac surfacing is £23,000. There will be a limited contribution of approximately £500 from the owners of two sold garages.

9. **APPENDICES**

None.

10. **BACKGROUND PAPERS REFERRED TO:**

None.

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