

CABINET
13 APRIL 2021

**RELEASE OF CAPITAL ALLOCATION IN THE MTFP
CAPITALISED REPAIRS IN CORPORATE BUILDINGS
AND ADVANCED DESIGN FEES**

**Responsible Cabinet Member –
Councillor Charles Johnson, Resources Portfolio**

**Responsible Director –
Ian Williams, Director of Economic Growth and Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To seek approval for the release of capital funding allocated in the Capital MTFP 2021/22 – 2024/25 for:
 - (a) The purpose of carrying out capitalised repairs in corporate buildings.
 - (b) Advanced Design Fees to bring forward regeneration projects and prepare sites for development.
 - (c) The purpose of carrying out energy saving measures in corporate buildings.

Summary

2. An allocation of £250K has been made available for 2021/22 in the Capital MTFP for Capitalised Repairs and it is requested that the funding be released for essential remedial works to progress.
3. Release £150K Council Capital (MTFP) for advanced design to develop schemes, bring sites forward for development to create jobs and support the local economy.
4. A government grant has been received of £443,313 primarily for the reduction of gas consumption at the Town Hall and Hippodrome and it is requested that the funding be released in order to progress the proposed works.

Recommendations

5. It is recommended that :-
 - (a) The £250K allocated in the Capital MTFP for Capitalised Repairs be released.

- (b) Cabinet approves the release of the £150K for Advanced Design Fees to bring forward regeneration projects and to carry out necessary preparatory work on those development sites.
- (c) The grant funding of £443,313 from the Heat Decarbonisation Scheme be released for energy saving measures at the Town Hall and Hippodrome.

Reasons

- 6. The recommendations are supported to safeguard the condition of the Council's corporate buildings, reduce energy consumption and to meet statutory and legal obligations.
- 7. The Advanced Design Fees will enable progress to be made on bringing forward regeneration projects and sites for development.

Ian Williams
Director of Economic Growth and Economic Growth

Background Papers

No Background papers were used in the preparation of this report.

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S17 Crime and Disorder	There are no direct implications.
Health and Well Being	There are no direct implications.
Carbon Impact and Climate Change	There are no carbon impact implications in this report
Diversity	The recommendation does not have any specific diversity implications.
Wards Affected	Depending on the location of the Council's buildings, a number of Wards may be affected.
Groups Affected	There are no specific groups adversely affected.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	This is not a Key Decision
Urgent Decision	This is not an Urgent Decision
One Darlington: Perfectly Placed	The recommendation will help to achieve the Perfectly Placed priority by safeguarding the condition of the Council's assets.
Efficiency	The proposed works will ensure the ongoing safety and condition of the Council's buildings and reduce the frequency of ongoing inspections and temporary repairs.
Impact on Looked After Children and Care Leavers	This report does not impact on Looked After Children or Care Leavers

MAIN REPORT

Background

Capitalised Repairs

8. An allocation of £250K has been made in the Capital MTFP for Capitalised Repairs.
9. The Council occupies a number of properties predominantly freehold where we have a responsibility to maintain them in a condition appropriate to their use and in accordance with our statutory obligations.
10. Pennington Choices were commissioned to undertake stock condition surveys in our corporate properties to identify immediate remedial works and future investment requirements.
11. Further to the Pennington surveys, additional survey and servicing data has been acquired and essential works prioritised.
12. It is proposed that the Capitalised Repairs allocation be used to meet these urgent works which include:-
 - (a) Dolphin Centre Rainwater Goods – Gutters / Fascia Boards and Downpipes
 - (b) Dolphin Centre Remedial Actions from Structural Surveys of Leaks from Pool Base
 - (c) South Park Lodge Structural Work to Support Rotting Timbers in Clock Tower
13. Funding of £150K for Advanced Design Fees is allocated each year within the MTFP capital programme and is used to bring forward regeneration projects and prepare sites for development.
14. The funding is required for up front expenditure to develop designs, prepare sites and stimulate development to enable the Council to deliver its priorities and to meet income targets in the MTFP through attracting new business and growing the economy. The developed sites are expected to achieve either capital receipts and / or lead to new business rates income, or housing bonus and new jobs.

Heat Decarbonisation Scheme

15. The Council has been successful in obtaining a grant allocation of £443,313 from the government's Heat Decarbonisation Scheme. The focus of the scheme is on reducing gas consumption but also allows for some elements of electrical improvements. The works proposed are for the Town Hall and Hippodrome to be fitted with Air Source Heat Pumps as their primary hot water system to replace the existing gas boilers. The Town Hall will also benefit from additional Solar PV and the upgrading of all lighting to LED. The Hippodrome will be fitted with advanced controls to the loading bay areas to reduce heat losses and additional time controls to catering equipment. In total the project has a combined projected energy saving of 870,500 kWhs.

Financial Implications

16. A sum of £250,000 was allocated for Capitalised Repairs in the 2021/22 MTFP Capital programme. The work will be funded from corporate resources such as capital receipts or prudential borrowing.

17. Capital expenditure is required to progress regeneration projects and to incur up front design fees and associated costs for example undertaking surveys, design work, master planning and marketing in order to prepare sites and progress projects. This will enable the Council to bring forward projects and schemes that support economic growth, through highway improvements, new buildings and new development sites, attracting businesses or developers that in turn create jobs and new business rates. Projects that are well defined and “shovel ready” are likely to be more successful in attracting external funding. The Council has allocated £150K in 2021/22.
18. The works proposed as part of the Heat Decarbonisation Scheme are fully funded.

Legal Implications

19. The Council will need to address any lease issues associated with works on leasehold properties.

Corporate Landlord Advice

20. In the main the Council’s revenue budgets are adequate for addressing day to day repair and maintenance items but where larger works are required, these fall under Capital and need to be addressed through Capitalised Repairs.

Procurement Advice

21. The Contract Procedure Rules must be followed in relation to all procurements carried out by Building Services. If the procurement of external services is in excess of £100,000.00, this must be detailed on the Procurement Plan and authorisation received by Procurement Board.