AGENDA ITEM NO: 6

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HAMBLETON DISTRICT COUNCIL

Report To: Cabinet 29 November 2011

Subject: CAPITAL PROGRAMME – 2011/12

All Wards Scrutiny Committees Cabinet Member for Partnerships: Councillor Ron Kirk

1.0 PURPOSE AND BACKGROUND :

1.1 The purpose of the report is to seek authority from Cabinet to implement the following schemes, which are included in the approved capital programme for 2011-12:-

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Thirsk Market Place resurfacing scheme	100,000
Stokesley Leisure Centre roof and cladding	71,000
Stokesley and Bedale Leisure Centres fire and intruder alarms	29,000
Hambleton, Stokesley and Bedale Leisure Centre gym equipment	24,000
World of James Herriot minor works	10,000

1.2 Value for Money Forms are attached at Annex A to E which outline specific justifications for each scheme. A plan for the resurfacing areas for Thirsk Market Place is attached at Annex F.

2.0 DECISIONS SOUGHT :

2.1 Cabinet is asked to approve authorise expenditure on the approved capital schemes outlined in paragraph 1.1 and detailed in Annexes A to E.

3.0 LINK TO CORPORATE PRIORITIES :

3.1 This report links to the efficient use of Council resources. The schemes outlined in the VFMs are all included in the current capital programme. This report demonstrates value for money in the implementation of the individual schemes.

4.0 <u>RISK ASSESSMENT :</u>

4.1 Individual scheme risk assessments are included within the VFM forms at Annex A to E. There are no significant risks to highlight.

5.0 SUSTAINABILITY IMPLICATIONS :

- 5.1 In relation to the Thirsk resurfacing scheme, undertaking larger scale capital expenditure is a sustainable way to maintain the surfacing, as it has now become unsustainable to maintain the Market Place with the present level of revenue budget. Temporary bituminous macadam repairs will have to be repaired permanently.
- 5.2 There are no other sustainability implications.

6.0 FINANCIAL IMPLICATIONS AND EFFICIENCIES :

6.1 a) Capital costs for this project are included within the 2011/12 capital programme

Capital Expenditure	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Thirsk Market Place resurfacing scheme	100,000	0	0	0
Stokesley Leisure Centre roof and cladding	71,000	0	0	0
Stokesley & Bedale fire and intruderalarms	29,000	0	0	0
Hambleton, Stokesley, Bedale gym equipment	24,000	0	0	0
World of James Herriot minor works	10,000	0	0	0
Total Capital Cost	<u>234,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Financed by: Capital Programme:	<u>234,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

b) There will be a reduction in car parking "pay and display" income during the construction period and it is requested that this be met by a contribution form the Service Improvement Reserve

Revenue Effects	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Loss of pay and display income for duration of works for Thirsk resurfacing	1,800	0	0	0
Financed by: Service Improvement Reserve	<u>1,800</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Revenue Effects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

7.0 LEGAL IMPLICATIONS :

- 7.1 It is necessary to repair the existing cobbled surface with a similar construction. Although alternative surfacing materials can provide lower whole life costs, the Council is bound by a covenant in the conveyance document for the land which requires the Council not to alter or remove the existing or cobbled surface of the Market Place or resurface with alternative materials without the prior written consent of the Vendor. The Vendor supports the retention of a cobbled surface.
- 7.2 In the event of a capital works scheme being approved the Council's Legal Services section will undertake contract preparation and formalities in connection with the project. Retention monies will be released to the contractors on satisfactory completion of a 12 months defects correction period following practical completion of the works.

8.0 SECTION 17 CRIME AND DISORDER ACT 1998 :

8.1 None

9.0 EQUALITY / DIVERSITY ISSUES :

9.1 The choice of surfacing materials for Thirsk Market Place is restricted by a covenant which requires the District Council to seek the former landowner's agreement to any changes. Agreement has been reached to change cobbled disabled bays to block paving to improve accessibility. This will be undertaken when the surfacing in the disabled bays needs replacing and will be of significant benefit to disabled users. The change is at worst cost neutral.

10.0 **RECOMMENDATIONS**:

10.1 It is recommended that the schemes detailed in paragraph 1.1 and included in the attached Annexes A to E be approved for implementation.

PHIL MORTON

Background papers:	None
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ANNEX A

VALUE FOR MONEY STATEMENT

Thirsk Market Place Cobble and Pavings Maintenance Scheme

Evidence of Need

This scheme offers value for money by undertaking works now which will mean a reduced extent of repairs in the future. If damages are not addressed adequately then the extent of damages will increase and so greater expenditure will be required.

The Market Place is generally surfaced with cobbles and York stone paving, areas of cobbles and York stone paving have deteriorated due to wear and tear, particularly on the edge adjacent to the public highway and on access routes though the cobbled parking areas. In some areas utility company repairs have failed prematurely but outside their guarantee period so we have no recourse to seek maintenance repairs. Cold winters have also contributed to the accelerated deterioration of some areas.

Dangerous areas of cobbles and paving area being repaired temporarily with cold lay bituminous materials and quickset mortar materials; this provides a short and medium term repair, though the extent of repairs now required exceeds the revenue budget available. This type of surface does not accord with the requirements of the covenant included under the original land purchase which states *"the Purchasers will not alter or remove the existing or cobbled surface of the market place nor resurface the same with other materials without the prior consent in writing of the Vendor"*

Capital expenditure on the surfacing repairs will contribute towards ensuring residents and visitors will see the Market Place as a destination of choice and that the Market Place remains vibrant.

Car parking charges now apply on the Market Place, the scheme will be undertaken to minimise loss of income, though the present charging structure of providing one hour of free parking will limit the lost parking charge revenue.

Annually an average of 450,000 free one hour tickets are issued and 65,600 paid two hour display tickets. Maintaining the surfaces will help maintain income levels. The loose cobbles means that the surface markings deteriorate more rapidly and this leads to difficulties with the comprehensive enforcement of the parking order.

The majority of the public vehicle and pedestrian areas in Thirsk Market Place are owned by Hambleton District Council. The land was purchased from Major John Bell in 1970 and a covenant on the land at the time of the sale requires that we maintain the existing surface finishes, unless permission is given to change the surfacing.

In the Market Place the District Council operates off-street short stay pay and display parking, with other areas designated for pedestrians, service buses and taxis and the Council runs a market on a Monday and Saturday. The Council invites people onto the Market Place and under occupier's liability owes a duty of care to the users to maintain the area in a safe condition.

COSTS:

Capital Costs				
	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Cobble repairs York stone repairs Surface marking	83,000 15,000 2,000	-	-	-
Financed by:	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Programme:	100,000	0	0	0
Total Capital Cost	100,000	<u>0</u>	<u>0</u>	<u>0</u>
Revenue Effects	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Loss of pay and display income (one off)	1,800	0	0	0
Financed by: Service Improvement Fund	1,800			
Net Revenue Effects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Efficiency Gains

Approval of capital expenditure on the project will alleviate the need to undertake the unsustainable temporary repairs which will inevitably have to be permanently repaired at some stage.

EFFECTS ON THE CUSTOMER:

This scheme will improve the safety and appearance of the Market Place car park and pedestrian areas. Reduce the potential risk of claims against the Council. Improvement in customer satisfaction, improved customer service, improved facilities.

Annually an average of 450,000 free one hour and 65,600 paid two hour pay and display tickets have been issued. This demonstrates a significant level of usage and this is supported by businesses, with vacant shops in the Market Place at a minimum and significant on-going investment by businesses in their premises.

The worst areas of cobbled surface conditions are in the vicinity of the Council markets (held Mondays and Saturdays). Aside the health and safety issues there may be a knockon effect concerning the vibrancy of the markets if surfaces conditions continue to deteriorate which may in turn affects the Councils market and car parking pay & display incomes.

OPTION APPRAISAL:

• **Option 1** Undertake no maintenance to Market Place.

If the District Council fails to maintain the Market Place to an appropriate standard it will be subject to further accident and damages claims. In the medium to long term, as condition further deteriorates, parts of the Market Place could become effectively unusable and the vibrancy of the market place could be affected.

• **Option 2** Undertake increased level of maintenance repairs.

Smaller patch repairs are now effectively unsustainable as the areas that require repair are too large to be undertaken within the constraints of the revenue budget. The use of bituminous materials for patching potholes is not ideal but is effective in the short term to make the area safe.

• **Option 3** Approval of capital expenditure

The scheme will be prepared, administered, and implemented by the Engineering team within the Design and Maintenance section. Appropriate maintenance of the Market Place will support the income through Pay and Display parking and the vibrancy of the Market Place for businesses and support the local economy.

Option 3 is recommended

Procurement options will be examined including the availability of framework contracts.

RISK ASSESSMENT:

Temporary repairs using bituminous materials are not sustainable in the medium term, are not aesthetically pleasing and provide only a temporary fix to defective areas of cobbles. They also fall outside the legal requirements of the conveyance covenant in preserving integrity of the cobbled surface. Due to the extent of cobbles requiring repairs it is not possible to carry out permanent repairs from revenue budgets.

If permanent repair works are not carried out then experience indicates that the extent of defective areas will increase, which will result in increased future capital expenditure.

The continued deterioration of the market place surface condition and appearance may have knock-on consequences on the vibrancy of the market place in general which may also have detrimental effects on other Council interests such as the Saturday and Monday markets; The World of James Herriot museum and parking charges takings.

SUSTAINABILITY IMPLICATIONS:

• CO² Emissions

Temporary repairs utilising bituminous materials are being undertaken to the very worst areas to maintain safety in the short term, though these are not sufficient and are a short term measure. It is not sustainable to keep undertaking temporary repairs to areas which will at some stage be repaired on a permanent basis.

• Whole Life Costing

Dependent on various traffic and weather conditions criteria the anticipated life span for a cobbled parking surface is in the order of twenty years. This has been borne out by previous schemes undertaken in market towns within the District.

• Social Effects

Maintaining good local facilities will support the local economy and encourage businesses, shoppers and visitors to stay local.

IMPACT ON PARTNERSHIPS:

Maintaining the Market Place in a good condition will support the District Council's reputation with the business and tourist community; Town and County Council; market traders; shoppers and visitors.

CONCLUSIONS:

The condition of the cobbled and York stone surfaces to areas within Thirsk Market are deteriorating to a level past the threshold where undertaking the present temporary repairs regime is neither efficient or sustainable.

The recommendation is for the an initial phase resurfacing capital works scheme , detailed in the attached Annex F plan, for an estimated cost of £100,000 be undertaken, as soon as practicable.

Version Number : 8

Date last changed: 11 November 2011

Sponsor : Chris Vincent

Stokesley Leisure Centre Roof / Cladding Repairs

Evidence of Need

This statement relates to necessary works concerning repairs to the roof and wall cladding at Stokesley Leisure Centre.

Stokesley Leisure Centre was constructed thirty eight years ago and over the previous four years there have been a number of thefts of lead from the roof and associated side cladding. As a consequence water ingress from the roof is leading to structural damage.

Intermediary repairs costing some £3,600 have been undertaken however they have been unsuccessful in effecting a lasting repair. A more substantial repair is therefore proposed.

Estimates have been sought for repairs to be undertaken with 20 year guarantees and have been submitted at £70,000 which is in accordance with the present allocation in the approved ten year capital programme.

COSTS:

Capital

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Roof and cladding repair works	70,000	-	_	
Financed by :				
Capital Programme	70,000	-	-	-
	70,000	-	-	-

Efficiency Gains

The proposed repairs will mitigate revenue budget pressures relating to an increasing need for short term repairs to the roof.

EFFECTS ON THE CUSTOMER:

The permanent works will present no significant pressure on leisure centre operations. There are no anticipated adverse effects on users of the leisure centre other than the occupation of part of the car park by contractor's vehicles and scaffolding. Pool users may experience a modest increase in noise levels from contractor's operations.

A long term repair will avoid future short term disruption created by the current repair regime.

OPTION APPRAISAL:

Industry standard repair methods are deemed to be the only reasonable operational options in achieving the required specification guarantees.

Procurement is likely to be via experienced local roofing contractors using competitive tenders. The availability of term maintenance contracts will be also examined to determine if a more advantageous cost can be achieved.

RISK ASSESSMENT:

There are no significant risks in approving the works.

There are minor risks in not undertaking the works. Further deterioration from water ingress on the fabric of the building could have safety implications, particularly if the electrical systems are compromised. In addition deferring the work to a later date will lead to additional short term maintenance expenditure and an increased cost when the inevitable permanent repairs are carried out.

SUSTAINABILITY IMPLICATIONS:

• CO² Emissions

At present there are no significant increased heat losses. Should the insulation materials deteriorate this would have consequences on the U-value with commensurate increased heat losses.

- Whole Life Costing The repaired cladding will likely be sustainable for a further 30 year and provide necessary protection to the fabric of the building.
 - **Social Effects** Should the repairs not be undertaken or significantly delayed this could result in the facility facing potential limited use or full closure for a period in the event of more extensive repairs being necessary.

IMPACT ON PARTNERSHIPS:

No impacts to partnerships are anticipated subject to works being undertaken promptly.

This is a shared facility with North Yorkshire County Council with Stokesley High School located close by. There would be implications on school timetables and other agencies who utilise the centre should more extensive repairs be needed in the event of extended delays.

CONCLUSIONS:

Given the present condition of the roof and cladding at Stokesley Leisure Centre recommendation is for repair works, costing approximately £70,000, to be approved.

This would provide a 20 year watertight guarantee and a likely lifespan of over 30 years.

Version Number : 3 Date last changed : 24 October 2011 Lead Officer : S Prentice / C Vincent

Stokesley and Bedale Leisure Centres Fire and Intruder Alarm Replacements

Evidence of Need

This statement outlines necessary works in replacing dated and ineffective intruder and fire alarms at Stokesley and Bedale Leisure Centres.

Stokesley Leisure Centre fire and intruder alarms are over thirty years old and cannot be adapted to meet relevant British Standards and the facility to be remotely monitored. The alarms are prone to frequent failure and can give false alarms. This can create an issue with the Police This rationale also applies to the Bedale Leisure Centre systems.

Based on recent budget estimates replacement costs are £29,000 which is in accordance with the present HDC ten year programme allocations.

COSTS:

Capital

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Stokesley Fire alarm system Stokesley Intruder alarm system Bedale Fire alarm system Bedale Intruder alarm system	8,000 7,000 7,800 6,200	-	-	-
Financed by :				
Capital Programme	29,000	-	-	-
	29,000	-	-	-

Efficiency Gains

The improvements will mitigate short term budget pressures arising from unforeseen repairs. Approximately £1,600 has been spent to date in effecting temporary repairs to the system. This expenditure had to be diverted from other planned repairs.

EFFECTS ON THE CUSTOMER:

The permanent works will present no significant changes to leisure centre operational undertakings. There are no adverse effects anticipated for users of the leisure centre.

OPTION APPRAISAL:

Procurement will examine the availability of existing framework contracts to deliver the most competitive solution. The alarms for Stokesley and Bedale will be procured together to maximise the purchasing efficiency. The new systems will be of an "open" type to facilitate future

maintenance efficiencies by opening up maintenance to repairs to companies in addition to the original supplier.

RISK ASSESSMENT:

There are no significant risks in approving the schemes.

There are some minor risks in not undertaking these works which include:

- False alarms and faults increase the risk of fire and intruders not being dealt with in a timely manner thereby increasing the risk to property and customers
- Alarms will remain below current standards
- Council insurance company may argue that our systems are not fit for use because of the increasing false call outs and may not pay out in the event of an incident

SUSTAINABILITY IMPLICATIONS:

- CO² Emissions
 None
- Whole Life Costing The new systems will have a lifespan of 20yrs
- Social Effects False alarms and faults increase the risk of fire and intruders not being dealt with in a timely manner thereby increasing the risk to property and customers. This could lead to closure of the facilities.

IMPACT ON PARTNERSHIPS:

No impacts to partnerships are anticipated subject to works being undertaken promptly.

The facilities provide services for North Yorkshire County Council with Stokesley High School and Bedale School adjacent to the respective facility. There would be implications on school timetables and other agencies who utilise the centre should a major incident occur.

CONCLUSIONS:

Given the present condition of the fire and intruder alarms at Bedale and Stokesley Leisure Centres the recommendation is to approve replacing the dated and increasingly faulty systems. The cost is approximately £29,000 and is included in the current capital programme.

Version Number : 4

Date last changed : 11 November 2011

Lead Officer : S Prentice / C Vincent

Bedale, Hambleton and Stokesley Lesiure Centres Gym Equipment Replacements

Evidence of Need

Gym equipment at Bedale, Hambleton and Stokesley Leisure Centres is up to 10 years old. Some of the equipment has incurred significant maintenance costs, as well as looking dated and not inkeeping with our gym members' expectations. There is a risk that this can impact on the customer and the appetite for membership.

The Council has 3400 monthly paying members generating approximately £1,000,000 per annum. The majority of these members take out membership to use the gym facilities. Continued market pressures make it imperative that the quality of gym facility provision is maintained. This is fundamental to the level of income generated.

COSTS:

Capital	2011/12 £	2012/13 £	2013/14 £	2014/15 £
New Units	24,000	-	-	-
Financed by :				
Capital Programme	24,000	-	-	-
	24,000	-	-	-
Revenue	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :	U	0	0	0
Surplus	0	0	0	0

Efficiency Gains

There are no specific efficiency gains that can be evidenced. However there is significant competition in this sector and failure to carry out timely improvements to the gym equipment can lead to a loss of members and an associated loss of income.

EFFECTS ON THE CUSTOMER:

Gym users expect value for money when they take out gym membership. Customer feedback highlights an expectation that the gym equipment has to be in working order and of good quality. Timely replacement of dated gym equipment will benefit gym users with equipment that is up to date in terms of the functionality they might find in other gyms and will be more reliable. It is important to note that the Council's Leisure Centres are increasingly faced with market competition from both within and beyond the boundaries of the District.

OPTION APPRAISAL:

• Do not replace the gym equipment

Not replacing the dated gym equipment is likely to lead to some gym users migrating to other leisure providers. This will lead to significant negative impact on income generated by the Leisure Centres.

• Replace the gym equipment

Meets customer expectations, thereby Improving member retention and potentially generating more membership sales to improve income generation.

Procurement will examine the availability of framework contracts to maximise the effectiveness of purchasing options.

RISK ASSESSMENT:

There are no significant risks associated with approving the purchase of replacement gym equipment.

There are no significant risks in not approving the purchase. However there are minor risks associated with migration of customers who may become increasingly dissatisfied with aging and unreliable equipment.

SUSTAINABILITY IMPLICATIONS:

The purchase of replacement gym equipment will aid the retention of our members longer. The replaced equipment will be under warranty for 3 years and will not need to be considered for replacement until 2017.

IMPACT ON PARTNERSHIPS:

There are none.

CONCLUSIONS:

The purchase of replacement gym equipment to meet challenging income targets and meet customer service requirements at Hambleton, Stokesley and Bedale Leisure Centres provides value for money.

Version Number: 2 Date last changed: 11/10/11 Lead Officer: David Ashbridge/David McGloin

The World of James Herriot Centre, Thirsk Minor Works Scheme

Evidence of Need

This statement relates to necessary minor works at The World of James Herriot comprising; renovating sash-windows with rotting timber frames, roof slate repairs, gable end pointing and additional damp proofing.

This facility was adapted to a visitor centre / museum in 1999. The roof and a number of windows are over fifty years old. There is a need to replace some rotten windows, repair missing and damaged roof slates and re-point brickwork on the north facing gable end. In addition the porch entrance area wall is suffering with damp and requires specialist treatment.

Recent quotes have been sought for repairs to be undertaken and are estimated at £10,000. This is within budget of the present HDC ten year programme allocation of £12,000. Any savings will be returned to the capital programme.

COSTS:

Capital

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Window renovations	5,000	-	-	-
Roof slates & gable end pointing	4,000			
Damp-proofing	1,000			
Total Capital Works	10,000	0	0	0
Financed by :				
Capital Programme	10,000	-	-	-
	10,000	0	0	0

Efficiency Gains

There are none.

EFFECTS ON THE CUSTOMER:

The works will present no significant changes to the World of James Herriot operational undertakings. There are no anticipated adverse effects on users of this facility other than the external scaffolding.

OPTION APPRAISAL:

The works are of a minor nature and it anticipated that local businesses will provide the necessary services.

RISK ASSESSMENT:

There are no significant risks in approving the works.

There are no significant risks in not approving the works. However if the works are not undertaken there will be further deterioration from water ingress on the fabric of the building. There is also a

potential risk from falling roof slates. Delays may lead to higher future capital costs and additional short tern revenue budget pressures.

SUSTAINABILITY IMPLICATIONS:

- **CO² Emissions** There are no significant implications at present. However if windows deteriorate further energy loses may ensue
- Whole Life Costing The replacement windows will likely extend the life span for a further 30 years.
- Social Effects There are no significant social effects. However if the repairs are not undertaken or are significantly delayed this could result in the facility facing potential limited closure.

IMPACT ON PARTNERSHIPS:

There are none.

CONCLUSIONS:

Given the present condition of the rotten windows, damaged roof slates and isolated damp problems at the World of James Herriot, recommendation is for the replacement/repair works, costing approximately £10,000, to be approved. The works represent value for money.

Version Number : 2

Date last changed : 11 November 2011

Lead Officer: S Prentice / C Vincent

