

CABINET

Corporate Non-Housing Property Portfolio: Required Building Works

22nd January 2013

Report of Head of Resources

PURPOSE OF REPORT

Following the completion of a 5 year Condition Survey (November 2012) on the Council's Corporate and Municipal building stock, this report informs Cabinet of the extent of backlog works outstanding to buildings and requests Cabinet to take forward the additional investment needs as part of its budget proposals for 2013/14 onwards. This is to ensure buildings are fit for purpose and legally compliant, but allowing sufficient flexibility to respond to changing needs, such as any arising from the forthcoming property review.

Key Decision

X

Non-Key Decision

Referral from Cabinet
Member

Date Included in Forthcoming Key Decision Notice

21 December 2012

This report is public.

RECOMMENDATIONS OF COUNCILLOR HAMILTON-COX:

- (1) That the existing draft Revenue Budget and Capital Programme provisions for maintenance and other works in the Council's non-housing related property portfolio be retained, but that work be undertaken to allocate the revenue budget provisions between service contracts, any planned revenue maintenance and reactive maintenance provisions.
- (2) That Cabinet considers the indicative £7.236M additional capital investment needs from 2014/15 onwards, together with any contingency requirement, as part of the current budgetary process.
- (3) That following Budget Council, a further report be brought back to Cabinet to:
 - approve the detail of the programme of capital works to be undertaken next year, and
 - provide an update on the Council's Corporate Property Strategy, including arrangements for monitoring progress (including the establishment of rolling building condition surveys and the forthcoming property review).

1 Introduction and Background

- 1.1 Dilapidated and unhealthy buildings in a decaying condition depress the quality of life and contribute in some measure to anti-social behaviour. The condition and quality of buildings can reflect public pride or indifference and the level of prosperity in an area.
- 1.2 Maintenance is the routine work that is necessary to protect the fabric of a building or monument. When carried out on a planned basis, maintenance helps to prevent the types of failure that occur predictably within the life of a building or monument. The Council has an obligation to maintain property to a standard that complies with regulations. This can be defined as:
- “fit for propose”
 - Structurally sound, wind and water tight
 - Legally compliant
 - Meet Health & Safety requirements
 - Sustainable and energy efficient
 - Accessible to all
 - Compliant with terms & conditions of commercial / business leases
- 1.3 The lack of a fully developed and funded planned maintenance programme in recent years has resulted in a considerable repair and maintenance backlog in the Council’s corporate non-housing buildings. This position has made it difficult to prioritise limited budgets and has driven a growing culture of reactive repair rather than a planned approach to maintenance. Good practice would suggest a 70:30 split between planned and reactive maintenance respectively.
- 1.4 The majority of the Council’s corporate non-housing buildings are of an age that demands regular repair and maintenance, and various key municipal buildings are listed. It is essential that any requirements arising from, for example, legionella/fire/asbestos risk assessments and gas testing /fixed electrical installation testing, are addressed and completed as part of the routine service contracts currently funded from repair & maintenance budgets. Failure to address these legislative requirements is unacceptable. Currently there are maintenance contracts in existence for equipment such as lifts, emergency lighting, monitoring and alarm systems, heating, ventilation and air handling. These are specialised areas of work and essential to ensure the continued operation of the buildings.
- 1.5 The Council’s annual commitment to repairs and maintenance and service contracts is currently budgeted at £662k (including The Storey). It should be noted, however, that this budget merely allows the Council to ensure that the buildings are open to the public, its staff and its tenants every day.
- 1.6 Following the Condition Survey of 2006, it was identified that £11.204M was required over a five year period, to prevent further deterioration of the Council’s corporate non-housing property portfolio.
- 1.6 Low investment was undertaken between 2007 and 2009, however. A Cabinet report was submitted in 2009 that again quantified the investment required, as compared with the actual investment approved. Unfortunately, this highlighted that due to the low level of capital investment, it had not been possible to prevent further deterioration.

- 1.7 In June 2012, a further condition survey was commissioned and this report summarises its findings, to inform the budget and planning process. Members' attention is drawn to the Legal Implications section included towards the end of this report.

2 Purpose and Scope of Condition Survey

- 2.1 As part of the Shared Services Collaboration between Lancaster City Council and Lancashire County Council, a condition survey was commissioned for the City Council's corporate non-housing property portfolio and this was submitted in November 2012. The condition survey was carried out using the Royal Institute of Chartered Surveyors (R.I.C.S) guidance, which covers the condition & required maintenance of buildings. The indicators enable buildings and maintenance works to be placed in four categories, 'A' being the best and 'D' the worst. This system allows strategic decisions to be taken in terms of:

- What is the minimum maintenance requirement for the property stock;
- Which properties are currently fit for purpose with no major financial implications planned during the next 5 years;
- Which properties are going to require substantial financial investment within the next five years and
- Which properties require major investment and should be considered for disposal.

- 2.2 The condition survey covered 138 properties and monuments with a gross internal floor area (GIA) of 66,514 square metres. The survey concentrated on those building elements at greatest risk or most likely to fail. The objectives of the survey were to give an overview of building condition and to provide estimated costs of remedial work. The condition survey also indicated the requirement for further specialist surveys and design works that may be needed and this may reveal further cost implications in the future. Where possible an estimate of cost has been included within the survey and where not possible, provisional sums have been included.

- 2.3 The overall objective of this report is to identify required maintenance and capital works to create a 5 year planned maintenance and investment programme, which ensures that maintenance is carried out with maximum economy, i.e. that the work done satisfies the criteria for effectiveness and efficiency.

3 Outcome of Condition Survey

- 3.1 The headline findings of the condition survey 2012 are shown in "Table 1" as follows, with maintenance work summarised in its respective priorities. In order to demonstrate the effect that under-investment has had on property in recent years, the 2012 condition survey results are compared with the findings from the 2006 condition survey.

Table 1: Maintenance Priority

Maintenance Priority	2006 Condition Survey	2012 Condition Survey
A – Reasonable condition Performing as intended at year 1 but will require repair or replacement within the next five years.	£1,019,578	£45,278
B – Satisfactory Performing as intended but repairs or replacement will be required within the next three to four years.	£1,174,749	£3,177,385
C – Poor Condition Exhibits various defects and should be programmed within the next two to three years	£3,701,965	£5,867,982
D – Replacement Exhibits major deterioration, serious risk of imminent failure or is a health & safety hazard. Urgent or replacement	£2,310,574	£2,571,899
	£8,206,866	£11,662,544

3.2 Much more analysis of the outcome of the conditions survey is contained in **Appendix 1**.

3.3 In terms of listed buildings, the Council owns one Grade I listed building and 4 Grade II* listed buildings, 42 Grade II listed and 1 Scheduled Monument. Listed buildings have had to compete for repair and maintenance funding with other buildings, often resulting in this area being under-funded. The condition survey 2012 has highlighted a number of buildings and monuments at risk. For example:

- The Queen Victoria Monument in Dalton Square is now on the “at risk” register and requires a substantial capital investment.
- The permanent heating system at the Platform in Morecambe has been shut down due to significant deterioration of the ventilation ducting, with temporary arrangements being put in place. The roof is also a continuing problem with failure across the whole structure.
- Lancaster cemetery chapels require considerable capital investment; the north chapel in particular has suffered structural deterioration with roof collapse; guttering and rain water pipe failure and window damage.

3.4 It can be seen from the comparison in Table 1 above and Appendix 1, which analyses the condition summary data and provides building case studies, that if building assets are allowed to continue to deteriorate at their current rate the Council will suffer financially, becoming liable for ever-increasing costs as well as not meeting its statutory responsibilities as landlord. This situation is untenable. It is therefore recommended that the Council provides adequate funds to complete all

required maintenance works for its retained property holdings and commits itself to a long-term approach to planned maintenance, thereby ensuring corporate non-housing buildings are fit for purpose.

3.5 In order to determine the nature of the funding required, the accounting treatment must be considered. If any works are to be capitalised they would need to meet at least one of the following criteria (*extract from the CIPFA accounting Code*):

- lengthen substantially the useful life of the buildings
- increase substantially the market value of the buildings
- increase substantially the extent to which the buildings can or will be used for the purposes of or in conjunction with the functions of the authority.

3.6 A desktop review has been undertaken and the view of officers is that the costs of additional works identified would substantially increase the current book value of the buildings. In addition, without these works being done, the buildings would at some stage no longer be operational as they would not meet the conditions set out in section 1.2 of this report. As such, the works could be capitalised.

4 Forthcoming Joint Property Review

4.1 In conjunction with the shared service collaboration between Lancaster City Council and Lancashire County Council a joint property review will commence in early 2013 to examine the condition, suitability and sufficiency of the joint portfolio. This review will aim to identify options to optimise the utilisation of existing buildings, rationalise the portfolio and reduce the current financial burden of property ownership upon both authorities.

4.2 Accordingly, any works to be undertaken as part of a planned maintenance and investment programme would be considered alongside the property review as it progresses, to avoid investment in property with a limited operational service life expectancy. The review may well also help to fund the investment programme.

5 Additional Investment Requirements

5.1 The total indicative costs/liabilities identified in the 2012 condition survey amount to £11.663M to be programmed over a five year period, with 2013/14 being Year 1. This would be subject to annual inflation beyond next year but at this stage, this has not been applied.

5.2 The total includes a contingency figure amounting to £1.026M, for urgent priority maintenance works to 37 buildings with a landlord / tenant lease repairing obligation (e.g. internal repairing leases, external repairing leases, etc). In conjunction with establishing a planned maintenance programme, a property review will be completed and tenants will be informed of their duties under the leasing agreements. Therefore any contingency would only be expended in the case of default by the responsible party, and if necessary legal proceedings would follow to seek reimbursement for the Council. Any contingency requirement will be considered separately, therefore. This leaves an investment need estimated at £10.637M.

5.3 A provisional Planned Maintenance and Investment Programme summary for A B C & D repair priorities is set out in Table 2 below. This is a representation of the

expected spend profile over a 5 year period by building element. In order to provide the Council with value for money, “cost benefit analysis” principles would be utilised in establishing a detailed programme of works. As an example, if a scaffold has been erected to a building to complete priority D works, rather than dismantle the scaffold once priority D works are complete and re-erect the scaffold in years two or three to complete priority C works, it would be financially prudent to complete this work at the same time and in the same year.

- 5.4 With regard to funding, there is currently £3.401M capital budget provision that the Council has previously approved. In effect therefore, the additional investment needs highlighted by the condition survey amount to £7.326M (£10.637M less the £3.401M). The £3.401M would give sufficient scope to address the category D works and manage the sort of re-profiling highlighted in the example given above.

Table 2: 5 year Capital Requirement by Element

Building Elements	2013/14	2014/15	2015/16	2016/17	2017/18	Grand Total
	£000's	£000's	£000's	£000's	£000's	£000's
External Walls, Doors & Windows	716	563	563	506	1	2,349
Mechanical Services	211	424	424	181	-	1,240
Internal Walls & Doors	199	229	229	492	7	1,156
External Areas	475	196	196	289	0.5	1,156
Roof	331	260	260	303	1	1,155
Floors & Stairs	139	264	264	435	9	1,111
Electrical Services	70	344	344	80	0.5	838
Ceilings	68	180	180	264	4	695
Redecorations	163	192	192	104	5	655
Sanitary Services	18	23	23	171	7	242
Fixed Furniture & Fittings	11	7	7	15	-	41
Grand Total	2,402	2,681	2,681	2,839	34	10,637

- 5.5 Turning to revenue budget provision, it can be seen from Table 3 below that the repairs and maintenance commitment over the last five years represents 28% of the value of the 2006 Condition Survey. Unfortunately, this investment in the Council's property stock has not improved the overall condition of the buildings. Table 4 shows that the cost of repair and maintenance of the buildings has in fact increased by 32.8%, which helps demonstrate how under-investment in property only increases the liabilities over time.

- 5.6 As discussed earlier, the Council's maintenance budget of £662k per annum covers the basic every day servicing/repairs that enables the Council to open its doors to the public. It is envisaged that this budget will be required for that said purpose as the planned maintenance programme progresses. However, moving forward, this budget would be reassessed and should reduce, as the authority moves from reactive to predominantly planned maintenance, and as a result of the

implementation of the upcoming property review findings and the rationalisation of existing service contracts.

- 5.7 In the interim, however, revenue budget provisions will need to be maintained, although work can be done to analyse these over service contract needs and reactive maintenance.

Table 3: Repairs & Maintenance Budgets over the last Five years

Repairs & Maintenance Budget 2007/08	£590k
Repairs & Maintenance Budget 2008/09	£657k
Repairs & Maintenance Budget 2009/10	£604k
Repairs & Maintenance Budget 2010/11	£660k
Repairs & Maintenance Budget 2011/12	£631k
Total Repairs & Maintenance budget over five year	£3,142k
The total Repairs & Maintenance as a percentage of the condition survey	28%

Table 4: Value of Successive Conditions Surveys

2006 condition survey	£11.204M
2012 condition survey	£14.883M
Increase Condition Liability	£3.679M
Increase as a percentage	32.8%

6 Details of Consultation

- 6.1 No consultation has been undertaken on the contents of this report, but a drop in session for Members has been arranged, if they wish for more detail.

7 Options and Options Analysis (including risk assessment)

	Do nothing (presented for information to highlight the Council's position and obligations).	Option 2: For Cabinet to take forward the increased investment needs as part of its budget proposals, as a 5 year planned maintenance programme.	Option 3: Consider taking forward an alternative programme of works that is a compromise between options one and two based on affordability and the availability of funding.
Advantages	There are no advantages to this option. The Council has acknowledged that the "do nothing" option has been followed in the past and as a result, the backlog of building work has increased to the levels outlined in this report.	<p>This option would be in line with the current Corporate Property Strategy and would ensure that all buildings meet basic health and safety standards.</p> <p>This option would halt the deterioration of the Council's corporate non-housing building stock preventing building closures and putting in place the foundations for a planned maintenance programme providing improved financial certainty moving forward.</p>	This option would need to allow all urgent and poor condition works (Year 1 & 2, D & C failure) to be completed, thus warding off serious building failure.
Disadvantages	The Council has a duty of care to building users, its employees and members of the public and would be in breach of regulations should health and safety be contravened as a result of building failure.	This is a long term initiative and it would be a few years before the real financial benefits became apparent.	The majority of element failure falls within year 1 & year 2.
Risks	Doing nothing will eventually result in major failures of either the building structures or services.	As this work is carried out alongside the joint property review with Lancashire County Council there is a	This would leave the Council open to criticism or action should there be failure of any of the items

	<p>This will in turn result in the council being unable to undertake many of its core activities, and closure of buildings and the possibility of legal (including criminal) proceedings.</p> <p>For these reasons this option, whilst outlined for information, is not considered viable.</p>	<p>chance of investing in a building that is then identified for closure although this would be closely monitored as both projects progress. However, it is worthy of note that any work undertaken to a building identified for closure may increase sale prospects and is likely to increase sale proceeds in many situations.</p>	<p>where works have been identified.</p> <p>In addition those works not undertaken are likely to increase in cost over the period of time until funding is made available</p>
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8 Officer Preferred Option (and comments)

- 8.1 The preferred option is option 2. This would ensure that the Council fulfils all its obligations in respect of maintenance and other works to buildings so that they meet the relevant health and safety standards and that the items that are falling into the greatest state of disrepair can be addressed. This option would prevent the Council being in a similar position to other councils, where failure to maintain its assets adequately was met with tragic circumstances and subsequent legal actions and costs.
- 8.2 Good property maintenance through active condition recording will preserve the Council's property portfolio by conducting regular condition surveys. It is recommended that 20% of the Council's corporate non-housing property portfolio is surveyed each year to ensure that any one condition survey is never more than 5 years old. The survey serves a number of purposes:
- As a basic check that the premises meet statutory requirements in terms of condition and to identify obvious hazards that deterioration of the fabric may create.
 - As a means of identifying the condition of elements of the premises and the works required in terms of priority and cost.
 - Providing a means of prioritising scarce resources to the most essential repairs or the highest priority premises.
 - Allowing property professionals to advise the Council on backlog maintenance and to influence budget allocations for maintenance.
 - Helping create a strategic picture of high maintenance premises that the Council may wish to dispose of.
 - For the manager occupying the premises, it demonstrates where scarce resources should be targeted.

9 Conclusion

- 9.1 The condition survey 2012 has identified a significant amount of backlog maintenance still outstanding within the Council's corporate non-housing buildings. The report unequivocally leads to the conclusion that if repair works in buildings are

not planned, funded and managed adequately i.e. through a planned maintenance approach rather than a reactive approach, then repairs will consistently deteriorate or fail. These will inevitably lead to increased maintenance costs and building failure. The Council's substantial property portfolio is now in need of capital investment and regular planned maintenance management. Buildings are suffering from a backlog of maintenance work due to low capital funding over a number of years. This under-investment has made it difficult to target limited budgets and has driven a growing culture of reactive repair rather than a planned approach to maintenance. This report presents an opportunity to tackle this culture, establish a 5 year planned maintenance programme and ensure buildings are fit for purpose and legally compliant.

RELATIONSHIP TO POLICY FRAMEWORK

This report seeks to ensure that the Council's property portfolio is fit for purpose in terms of supporting the Council's corporate plan and policy framework generally, recognising the financial pressures.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Proposed building works would address any related statutory responsibilities.

LEGAL IMPLICATIONS

The pursuance of an effective and robust maintenance programme is necessary to avoid the potential exposure to criminal proceedings in the event of the Council failing to comply with its statutory obligations under the Health & Safety Act. The case of the HSE v Barrow in Furness Borough Council demonstrates the serious consequences of such failings. The particular circumstances of that case resulted in that authority being fined £125,000 and an individual Council employee also being fined an additional £15000. Although this was an extreme case, it highlights the need for the Council to secure appropriate standards of maintenance to comply with its statutory duties under such legislation. Civil proceedings have also been threatened and instigated in respect of properties leased by the Council. The lack of resources does not offer a defence to such actions and makes the Council equally vulnerable to successful claims against it for failure to comply with its repair and maintenance obligations.

FINANCIAL IMPLICATIONS

The existing capital programme currently contains unallocated budgets of £1.714M (2012/13) and £1.687M (2013/14) for Municipal Buildings works. Therefore, there is a total of £3.401M available to be re-profiled and allocated against these latest proposals, the total cost of which is estimated at £10.637M over the next 5 years, excluding any contingency.

Taking account of the total current funding available and allowing the current cost the proposed works, the indicative funding shortfall each year would be as follows:

	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Scheme Cost	£2.402m	£2.681m	£2.681m	£2.839m	£0.034m	£10.637m
Current Budget	£3.401m	-	-	-	-	£3.401m
Budget (Surplus) / Shortfall	(£0.999m)	£2.681m	£2.681m	£2.839m	£0.034m	£7.236m

There are currently no available resources identified to fund such shortfalls. Therefore any increased investment proposals would need to be met from unsupported borrowing, which in turn will have an additional cost to the revenue budget in the form of additional Minimum Revenue Provision (MRP) and Interest costs. The table below shows the additional cost to the revenue budget based on Option 2, which is the officer preferred option.

	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Budget (Surplus) / Shortfall	(£0.999 m)	£2.681m	£2.861m	£2.839m	£0.034m	£7.236m
Financing Costs						
Additional MRP	(£86K)	(£50K)	£84K	£218K	£220K	£0.386m
Additional Interest	£32K	£153K	£270K	£389K	£377K	£1.221m
Reduced R&M	--	--	--	(£66K)	(£99K)	(£0.165m)
TOTAL COST	(£54K)	£103K	£354K	£541K	£498K	£1.442m

An element of these costs could be mitigated in future by reduced Repairs and Maintenance costs, which are currently budgeted at £662K per annum. The majority of the costs (around 70%) are in respect of reactive maintenance, which should reduce if the preferred option is approved and the properties are brought up to a fit for purpose condition. It is estimated that the R&M budget could be reduced by around 10% in 2016/17 and by 15% in 2017/18 – these savings have been included in the table above.

The forthcoming property review should also help in reducing or funding investment needs – in particular, through disposing of properties (which could avoid the costs of essential works, and/or generate capital receipts in order to help fund works to other properties).

The initial review of the proposed programme of works has assumed that they will all be capitalised. However, as with any large scale programme of works it may be that certain elements may not be eligible to be capitalised and as such would fall on the revenue budget. These costs (and the costs of future surveys) may be met from the Municipal Building Reserve, which was established to fund for such items. The level of this Reserve will need reviewing.

OTHER RESOURCE IMPLICATIONS

Human Resources:

The delivery of any planned maintenance and investment programme will need to be resourced in staffing terms. In general this is covered by existing staff resources and budgetary provision, and a review is currently underway to ensure that such resources are targeted correctly. There may need to be very minor budget virements between staffing and property costs to ensure the correct balance.

Information Services / Open Spaces: N/A

Property:

As set out in the report.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has contributed to this report, which is in her name (as Head of Resources).

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

none

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Ref:

Appendix 1: Condition Survey Data Summary

1. Portfolio Perspective

Table 1 below outlines the aggregated values of identified works for specific condition categories. Figure 1 visualises this data. There is a significant increase in the value of identified works for condition B, C and D categories.

Condition	2006	2012
A	£1,019,578.00	£45,278.00
B	£1,174,749.00	£3,177,385.87
C	£3,701,965.00	£5,867,982.93
D	£2,310,574.00	£2,571,899.60
Total	£8,206,866.00	£11,662,546.40

Table 1 Aggregate Values

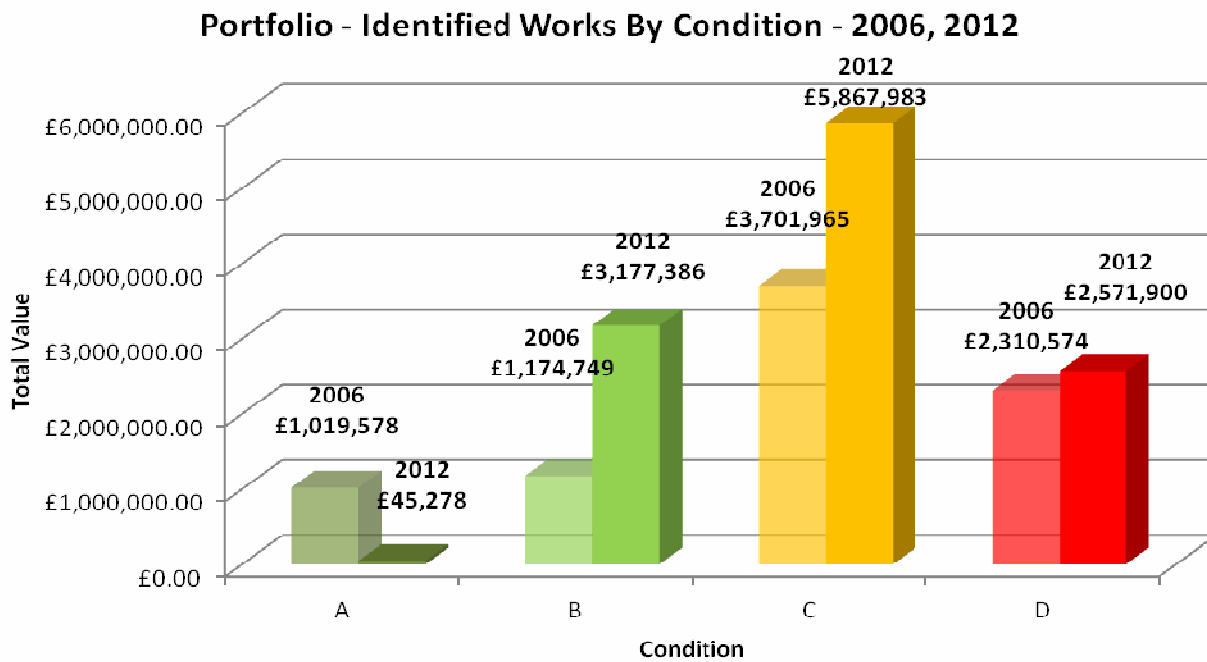


Figure 1: Identified Work Values by Condition Category 2006, 2012

Table 2 details the number of identified works in each condition category. There is a significant increase in B, C and D condition identified works.

Condition	2006	2012
A	732	74
B	1544	2412
C	1976	2196
D	530	934
Total	4782	5616

Table 2

Portfolio - Number of Identified Works - 2006, 2012

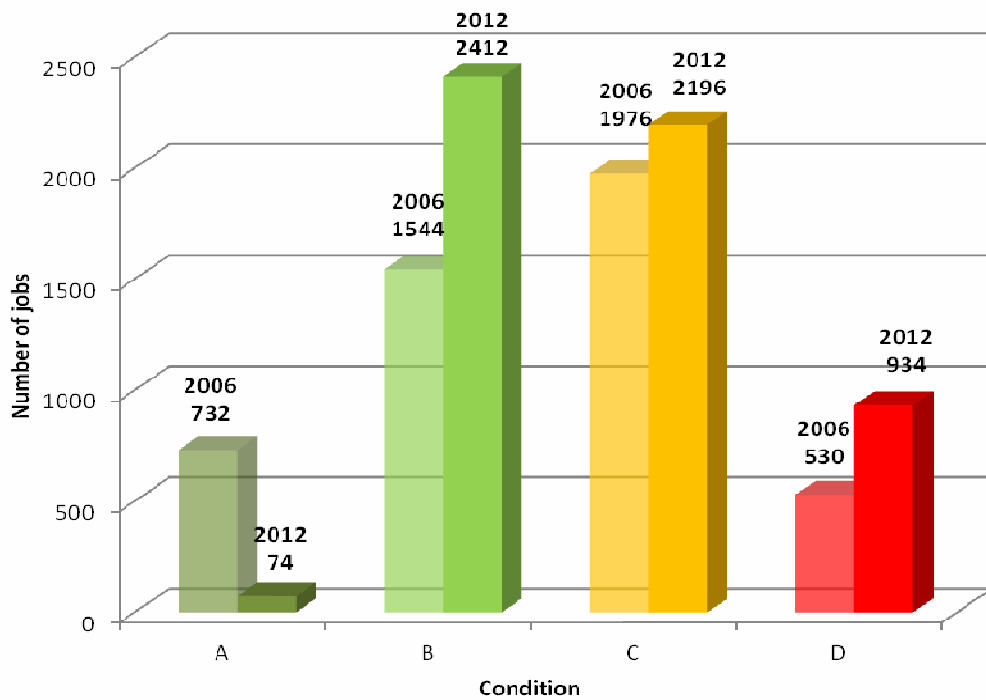


Figure 2: Comparison of the number of identified works by condition category for 2006 and 2012 condition survey.

2. Building Element Perspective

Figure 3 provides a snapshot of the portfolio health by building element. The data is tabulated in Table 3. This indicates that many aspects of the portfolio are in good or satisfactory condition. However, it also indicates that there are a considerable number of failures. For example there are nearly 1000 Electrical Services items that are in Poor (C), or Failed (D) condition. Similarly there is a high proportion of External Walls, Doors & Windows, and Roofing elements in Poor or Failed condition.

Element	Condition				Total
	D	C	B	A	
Electrical Services	25	799	1736	3319	5879
Internal Walls & Doors	264	340	1012	1356	2972
Floors & Stairs	126	328	645	879	1978
Mechanical Services	50	163	215	1076	1504
Ceilings	54	146	551	666	1417
External Walls, Doors & Windows	148	416	437	252	1253
Sanitary Services	23	75	256	389	743
Roof	135	201	217	154	707
Redecorations	13	210	395	33	651
External Areas	78	148	79	48	353
Fixed Furniture & Fittings	18	23	152	143	336
Grand Total	934	2849	5695	8315	17793

Table 3

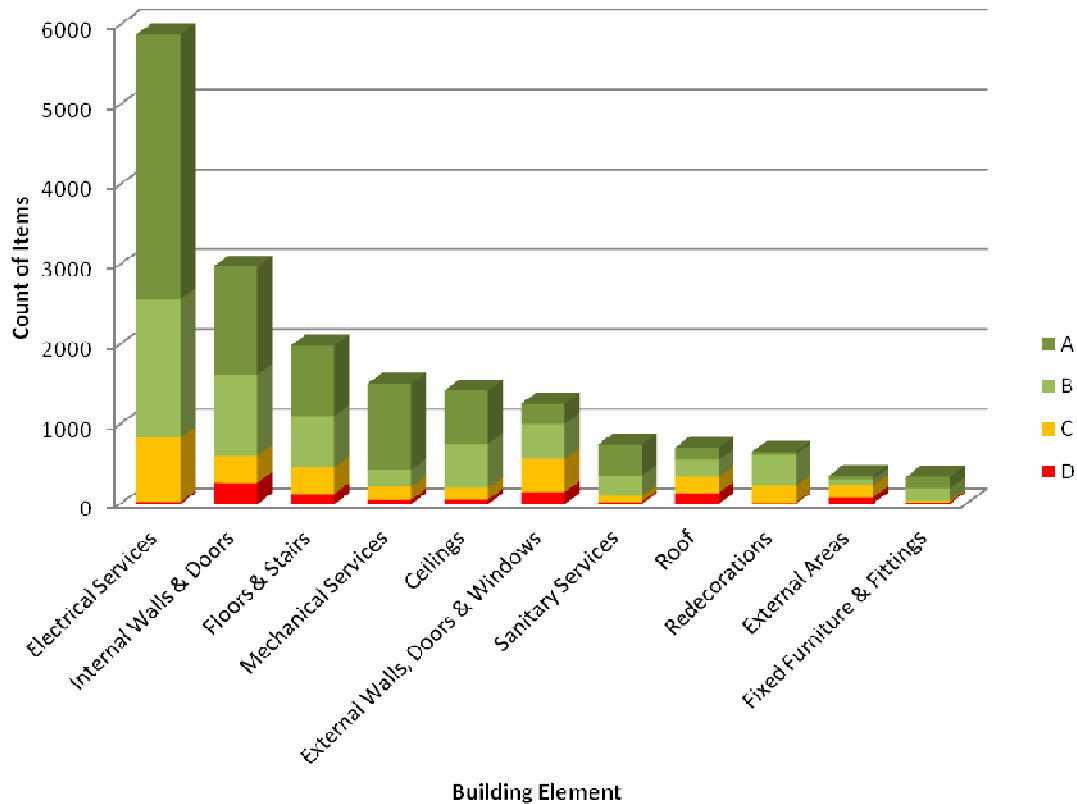


Figure 3 Portfolio Building Element Condition Summary. This shows the number of items in a specified condition for each building element type.

Figure 4 shows the costs associated with the identified works for each building element by condition category rather than the number of elements in each category. The data is summarised in Table 4.

Portfolio - Identified Works By Building Element

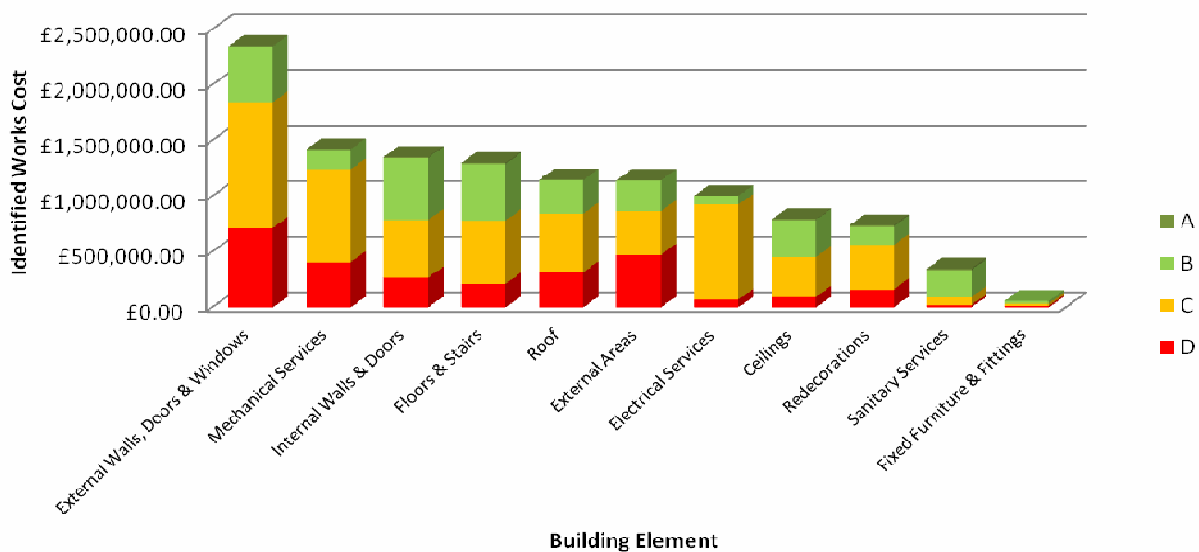


Figure 4: Identified Works Costs by Building Element and Condition.

Element	D	C	B	A	Total
External Walls, Doors & Windows	£716,104.90	£1,131,876.88	£501,550.00	£774.00	£2,350,305.78
Mechanical Services	£408,141.00	£833,137.44	£180,600.00	£0.00	£1,421,878.44
Internal Walls & Doors	£268,921.00	£517,657.62	£559,195.00	£7,230.00	£1,353,003.62
Floors & Stairs	£213,193.50	£568,850.46	£507,941.50	£9,270.00	£1,299,255.46
Roof	£318,432.00	£525,883.60	£302,830.00	£500.00	£1,147,645.60
External Areas	£474,718.60	£391,211.10	£278,182.00	£473.00	£1,144,584.70
Electrical Services	£72,274.00	£851,989.82	£80,467.00	£306.00	£1,005,036.82
Ceilings	£97,427.00	£357,532.77	£333,489.50	£4,526.00	£792,975.27
Redecorations	£162,566.00	£400,154.24	£165,538.87	£9,348.00	£737,607.11
Sanitary Services	£20,497.60	£72,696.00	£244,096.00	£12,851.00	£350,140.60
Fixed Furniture & Fittings	£14,624.00	£21,993.00	£23,496.00	£0.00	£60,113.00
Grand Total	£2,766,899.60	£5,672,982.93	£3,177,385.87	£45,278.00	£11,662,546.40

Table 4

3. Listed Building Perspective

Figure 5 shows the value of identified works, for listed buildings where the aggregated value exceeds £200,000. The relative contribution of each condition category to the aggregated total is also shown. Table 5 summarises this data.

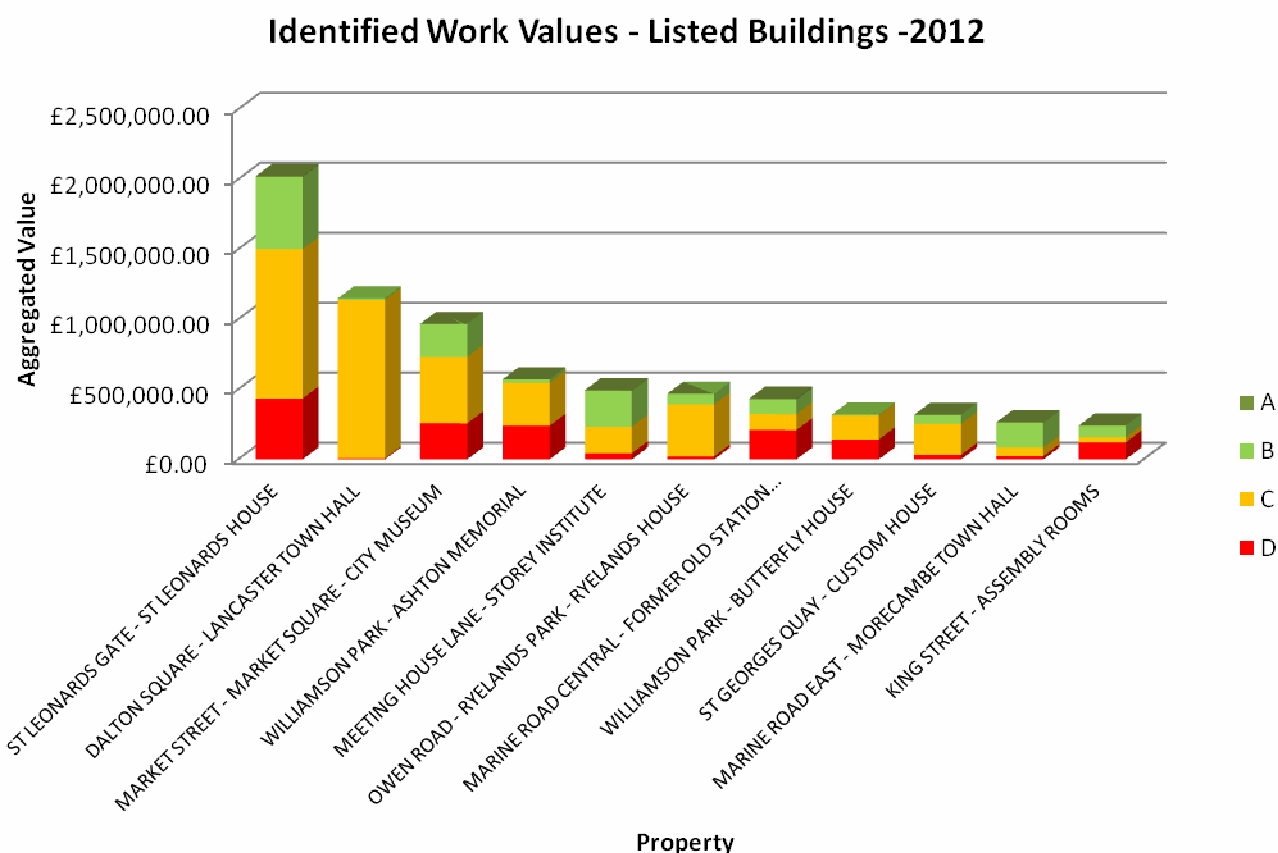


Figure 5: Listed Buildings with identified works exceeding £200,000.

Property	A	B	C	D	Total
ST LEONARDS GATE - ST LEONARDS HOUSE	£4,915	£516,285	£1,066,690	£435,117	£2,023,007
DALTON SQUARE - LANCASTER TOWN HALL		£10,570	£1,133,072	£7,000	£1,150,642
MARKET STREET - MARKET SQUARE - CITY MUSEUM	£0	£237,314	£473,460	£257,568	£968,342
WILLIAMSON PARK - ASHTON MEMORIAL	£0	£24,525	£307,223	£240,066	£571,813
MEETING HOUSE LANE - STOREY INSTITUTE	£4,780	£257,203	£189,377	£44,002	£495,362
OWEN ROAD - RYELANDS PARK - RYELANDS HOUSE	£0	£75,066	£371,685	£21,279	£468,030
MARINE ROAD CENTRAL - THE PLATFORM	£8,629	£103,355	£114,260	£209,530	£435,774
WILLIAMSON PARK - BUTTERFLY HOUSE	£0	£6,237	£171,516	£142,317	£320,070
ST GEORGES QUAY - CUSTOM HOUSE	£0	£65,429	£220,917	£32,398	£318,743
MARINE ROAD EAST - MORECAMBE TOWN HALL	£2,278	£177,435	£62,821	£22,200	£264,734
KING STREET - ASSEMBLY ROOMS	£354	£83,498	£36,992	£120,808	£241,652

Table 5

Figure 6 shows the other listed properties by aggregated value of identified works.

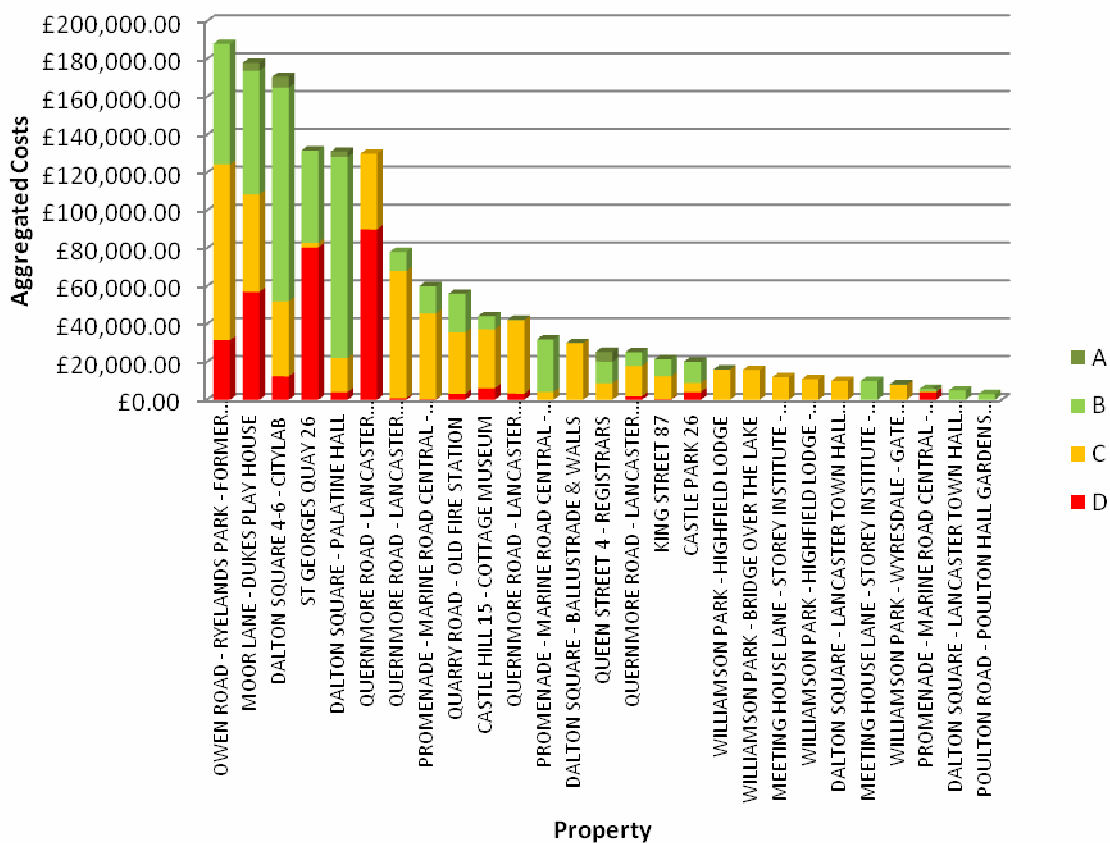


Figure 6: Listed Buildings aggregated identified works less than £200,000.

4. Condition Survey – Normalised Costs Ratio Spectrum

Figure 7 shows the normalised cost ratios for the listed properties in the condition survey. Normalised cost ratios show the relative contribution of costs by condition category. This provides a visual indication as to the nature of repair costs in terms of condition. Normalised cost ratios will undervalue element conditions which carry little financial weight, for example Condition A elements generally carry a minimal cost. It does however provide a visual health check for each property. Properties are sorted in descending order of aggregated costs for identified works.

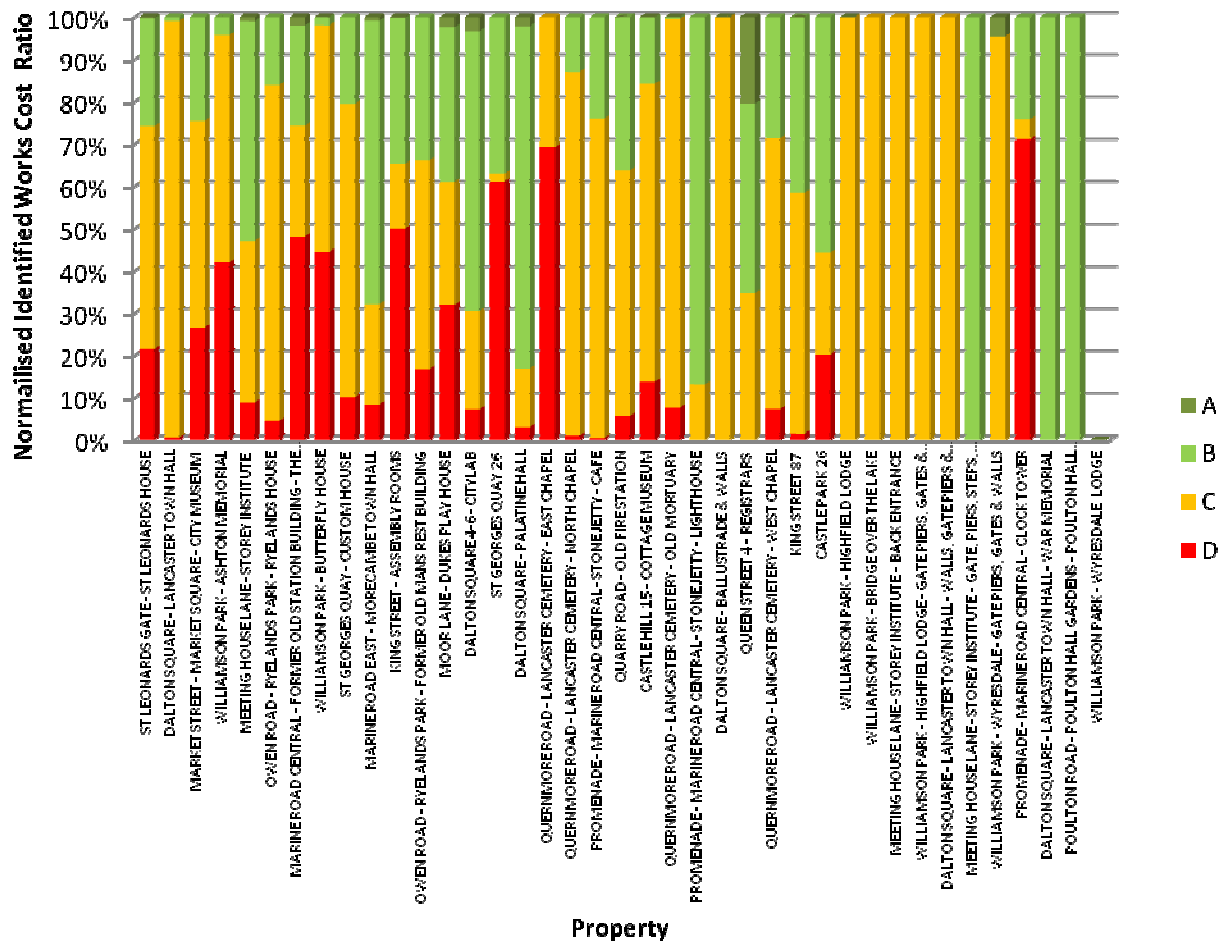


Figure 7: Normalised Cost ratios for listed properties

5. Condition Survey – Normalised Element Count Ratio Spectrum

Normalised element count ratios show the relative number of items in a condition category constituting a property. Normalisation means that the number of elements in a certain condition are expressed as a percentage of the whole. Biases can be introduced where a scheme of work, such as a new heating system, is identified for a property and this is entered as a single identified work, whereas other elements such as redecorations are entered element by element – this can provide an optimistic snapshot of the condition of the property. Properties are sorted in descending order of number of elements scored.

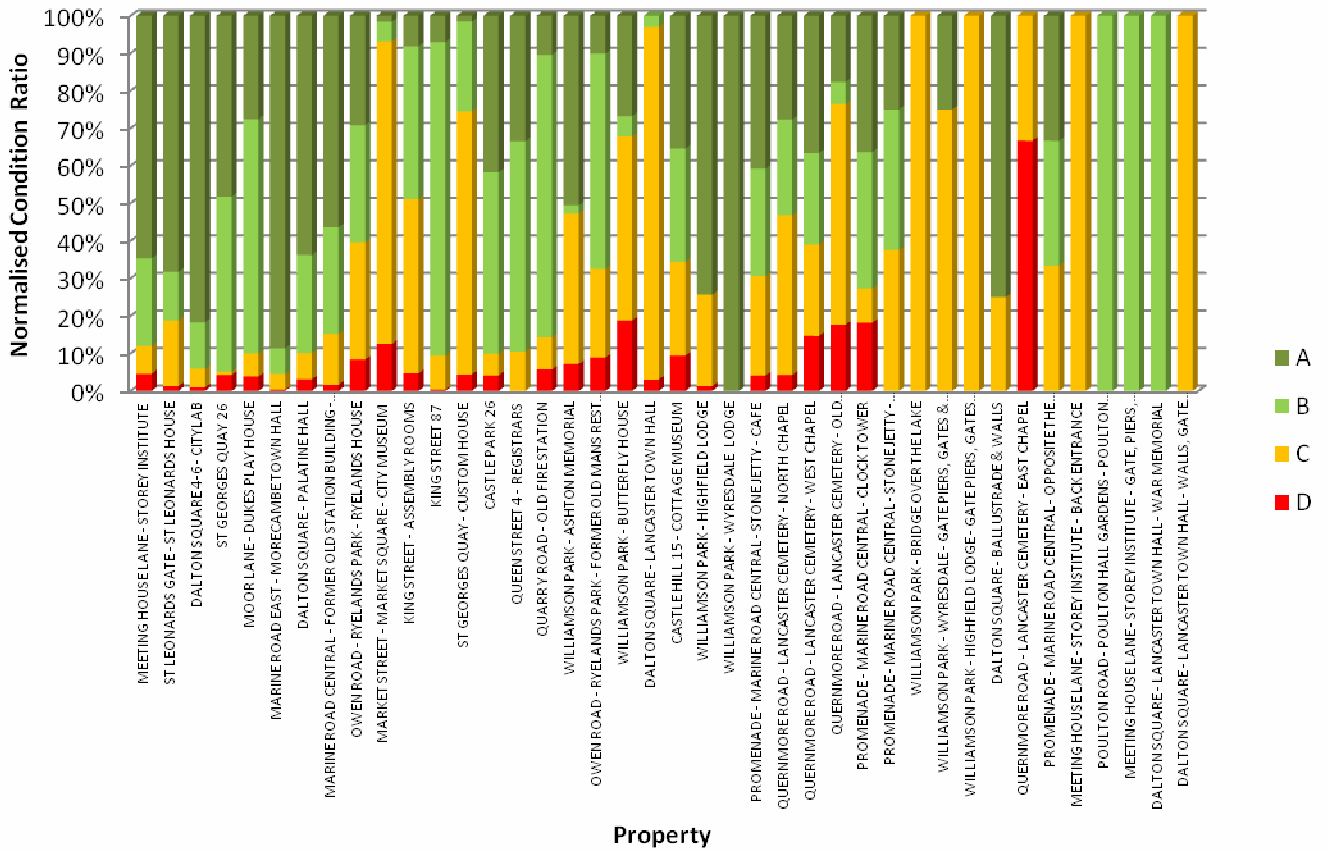


Figure 8: Normalised Element Condition Count ratios for listed properties

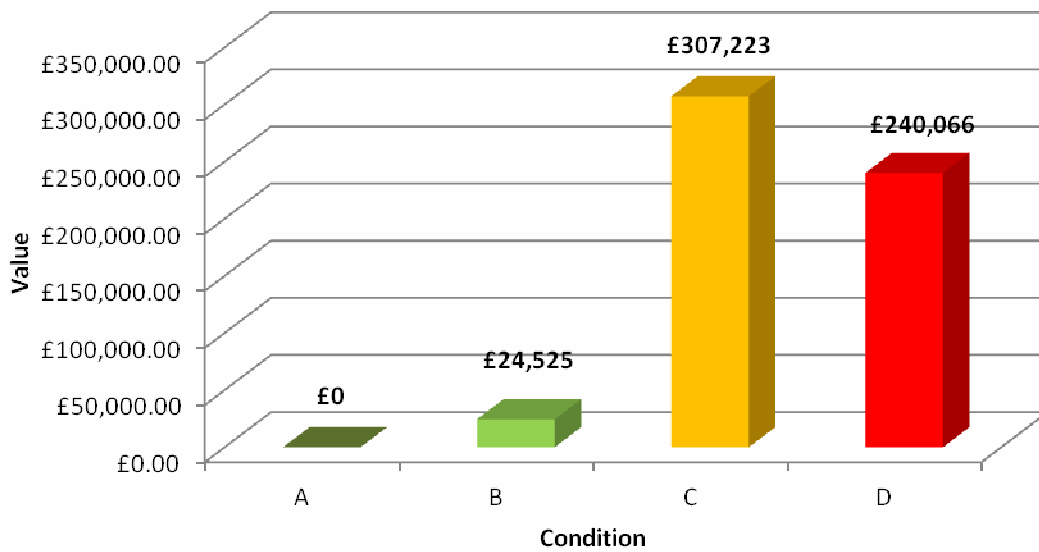
Specific Case Studies

The case studies provide a property-centric perspective of the condition survey. Two properties have been selected, and outline data presented giving a snapshot of the condition of the portfolio.

Case Study 1: Ashton Memorial

Identified Work Values by Condition Category

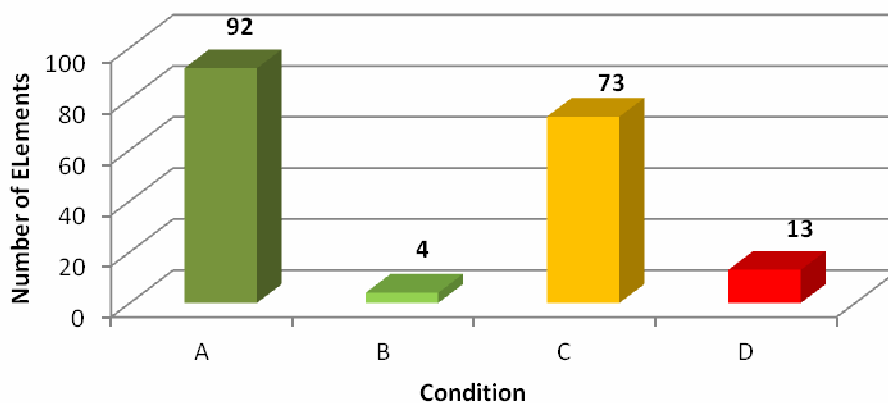
Ashton Memorial- Identified Work Cost Summary



Condition	A	B	C	D	Total
Value	£0.00	£24,524.50	£307,222.60	£240,065.60	£571,812.70

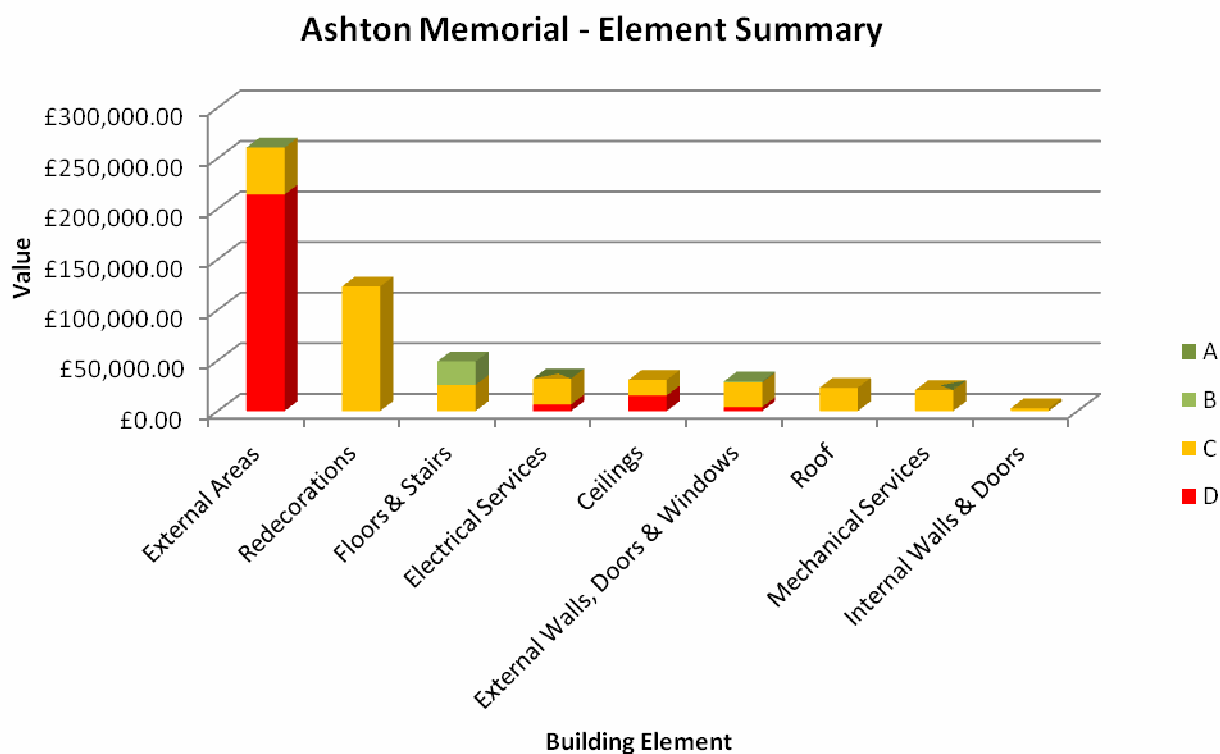
Identified Work Element Count

Ashton Memorial - Element Count



Condition	A	B	C	D	Total
Number of Elements	92	4	73	13	182

Identified Work Values by Building Element



Element	D	C	B	A	Total
External Areas	£214,198.60	£46,415.60	£77.00	£0.00	£260,691.20
Redecorations	£0.00	£123,200.00	£0.00	£0.00	£123,200.00
Floors & Stairs	£0.00	£25,833.50	£23,292.50	£0.00	£49,126.00
Electrical Services	£6,617.00	£25,481.00	£0.00	£0.00	£32,098.00
Ceilings	£15,400.00	£15,400.00	£0.00	£0.00	£30,800.00
External Walls, Doors & Windows	£3,850.00	£24,447.50	£1,155.00	£0.00	£29,452.50
Roof	£0.00	£23,100.00	£0.00	£0.00	£23,100.00
Mechanical Services	£0.00	£20,650.00	£0.00	£0.00	£20,650.00
Internal Walls & Doors	£0.00	£2,695.00	£0.00	£0.00	£2,695.00
Grand Total	£240,065.60	£307,222.60	£24,524.50	£0.00	£571,812.70

Maintenance: Landlord Full Repairing

Executive Summaries

Building

The building is generally in reasonable condition but the exposed site requires vigilance in the maintenance regime. The building has considerable metalwork embedded within the structure and it is imperative that the external envelope is maintained watertight to prevent corrosion within the structure. The west flight of steps are currently being repaired and the lower dome to the ground floor is also being investigated for the causes of cracking to the plasterwork. The windows are failing at the seals both to the frames and glazing. The asphalt roof finishes are beginning to fail, pitting in areas and the consequences of failure would be severe on internal finishes and the structure. The stonework in general is in reasonable condition. Areas of erosion to the carved surfaces are evident and a long term programme of remedial work is advisable. The regular safe clearance of rainwater goods of blockages needs to be addressed. The paintwork needs to be redecorated to prevent loss of fabric. Areas of the basement were inaccessible due to the storage of materials. The plantroom was locked and not accessible.

Mechanical

The heating system to this building is fed from the main boiler room outside the butterfly house and the heating pipes carry heat through an underground duct and warm up the iron panel bespoke radiators in the plant room in the basement and these radiators convect heat upwards through the open floor vent in the main ground floor area, this system although an antiquated idea and system works well. Replacement radiators are required to mezzanine areas.

Electrical

The electrical installation is wired in micc cable contained within the fabric of the building and is in satisfactory condition along with the distribution equipment. Lighting is a mixture of fluorescent fittings and decorative lighting and bespoke chandeliers. The fire alarm system is monitored and well maintained and in good condition with the use of infra red beams for high level detection.

An intruder alarm is installed and in good condition and well maintained.

The emergency lighting system will need replacement on this scheme to provide better light coverage and fittings are showing signs of deterioration.

A chandelier was damaged and broken and a bespoke one needs to be made and fitted to the dome area.

It would be prudent to have made spare glass shades to match the decorative ornate lighting fittings which occasionally get damaged as there are no spares left available as all spares have been used up and these will keep the fittings as intended and designed to go with a building of this stature cheap replacement odd shades are not fit for use on this building.

Property: WILLIAMSON PARK - ASHTON MEMORIAL
Block: EXT - West Elevation
Element: 11 - External Areas
Sub-Element: 11.2 - Paths & Pedestrian Paved Areas
Item: 7.1.1 - Heat Source & Equipment
Location: West steps
Room:

Condition: D
Priority: 1
Time Scale: 2013-2014

Defect:
Corroding/failing support structure, uneven steps. Repair works in progress with a projected cost of £180K.

Remedy:
Complete repairs

Estimate: £184,800.00

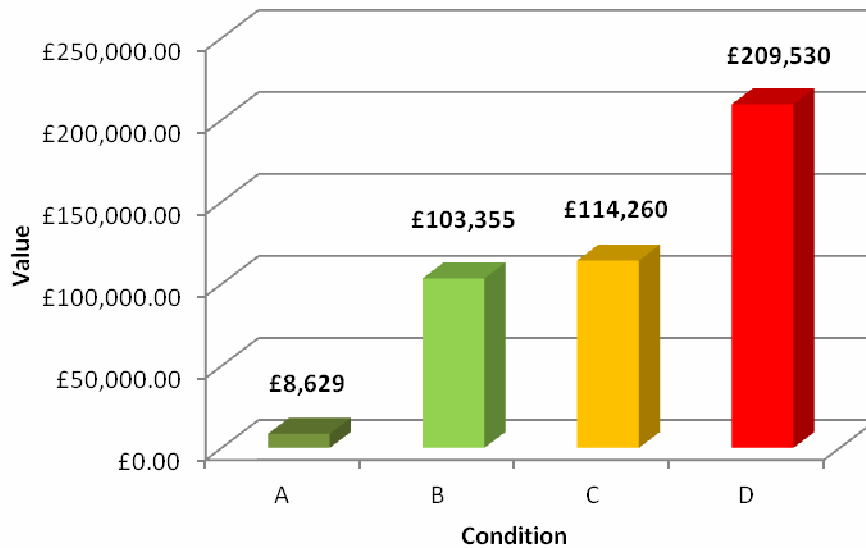
Photos: -



Case Study 2: The Platform

Identified Work Values by Condition Category

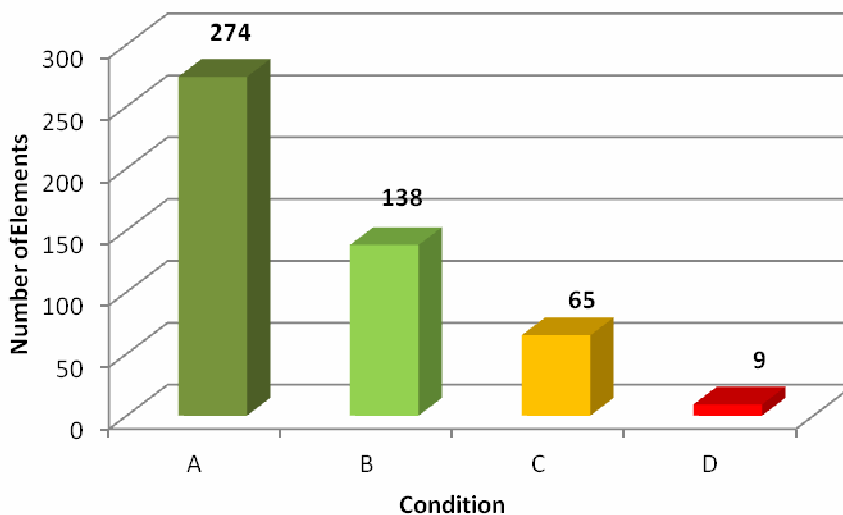
The Platform - Identified Work Cost Summary



Condition	A	B	C	D	Total
Value	£8,629.00	£103,355.00	£114,260.00	£209,530.00	£435,774.00

Identified Work Element Count

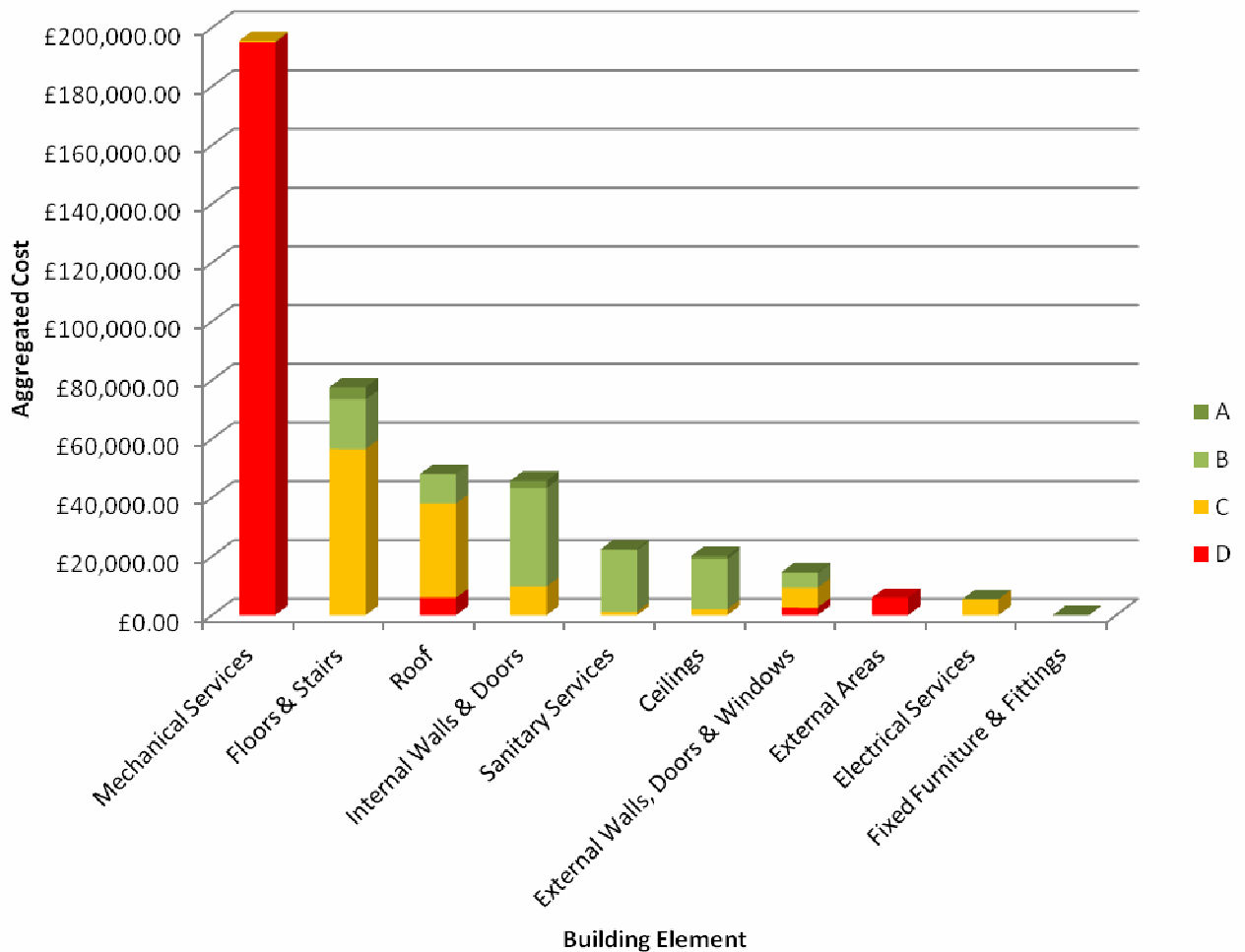
Platform - Element Count



Condition	A	B	C	D	Total
Number of Elements	274	138	65	9	486

Identified Work Values by Building Element

Identified Works - By Building Element



Element	D	C	B	A	Total
Mechanical Services	£195,000.00	£552.00	£0.00	£0.00	£195,552.00
Floors & Stairs	£0.00	£56,542.00	£16,887.00	£4,206.00	£77,635.00
Roof	£5,950.00	£32,080.00	£9,980.00	£0.00	£48,010.00
Internal Walls & Doors	£0.00	£9,721.00	£33,496.00	£2,574.00	£45,791.00
Sanitary Services	£0.00	£1,150.00	£20,960.00	£399.00	£22,509.00
Ceilings	£0.00	£1,965.00	£17,102.00	£1,100.00	£20,167.00
External Walls, Doors & Windows	£2,580.00	£6,780.00	£4,930.00	£350.00	£14,640.00
External Areas	£6,000.00	£0.00	£0.00	£0.00	£6,000.00
Electrical Services	£0.00	£5,470.00	£0.00	£0.00	£5,470.00
Fixed Furniture & Fittings	£0.00	£0.00	£0.00	£0.00	£0.00
Grand Total	£209,530.00	£114,260.00	£103,355.00	£8,629.00	£435,774.00

Maintenance: Landlord Full Repairing

Executive Summaries

Building

Morecambe Promenade Station, now known as the Platform was the rail terminus for the North Western Railway built by the Midland Railway Company in the early 1900's. The building is Listed by English Heritage with a Grade II Listed status. The design was possibly the work of Lancaster Architect E.G. Paley. The stonework came from the former station constructed in the 1870's in Northumberland Street. It opened to passengers in 1907.

The station was built with four main platforms to cater for large passenger numbers and a goods siding. The station was closed in 1994 and a new station was constructed closer to the town centre. In 1997 the building was restored to its original condition and became an entertainment venue comprising of The Platform pub, The Platform Performing Arts Centre and Morecambe Tourist Information Centre which moved into the building in 1992.

Leisure Services (Community Engagement)

Leisure Services are located to the east of the building behind the Performing Arts Centre and between the flanking Festival Hall Market.

Leisure Services consist of two large offices with an external room used for storage. There is a door leading to the Platform Performing Arts Centre where they share access to staff kitchenette and WC provision. Internally the offices are carpeted with painted walls and suspended ceiling tiles in an exposed grid. Finishes are generally satisfactory, however there are a number of ceiling tiles that are water stained. The store room floor is concrete with painted walls and suspended ceiling. There is some damage to the suspended ceiling grid along with damaged and water stained tiles. There has been some damage to plaster painted finish to the far corner from a previous water leak and this requires making good. Externally there are 4 bays of large aluminium double glazed floor to ceiling window panels with sliding doors in a plain stonework facade. There are also timber double doors leading outside, with unmarked vision panels. Outside the office area is a glazed, part slate roof canopy supported on metal painted trusses with 5 metal columns. The underside of the canopy is protected by bird netting. Tarmac external flooring to the canopy area. The external area is in satisfactory condition, however external decoration is required to the painted surfaces.

The roof above the office space is flat. It was originally felted but has been overlaid with insulation, a waterproof membrane and solar reflective chippings. There is a leak to the north west corner corresponding to the internal RWP. At the time of survey joints to RWP's were faulty. There was further stained tiles to the north western corner. This junction on the roof has a flashband repair. Water penetration also occurs to the eastern edge of the roof. It is recommended that consideration be given to replacing this roof to prevent further deterioration to internal surfaces, equipment and roof structural timbers.

Cultural services (Community Engagement)

Cultural services are located on the first floor over the Tourist Information Centre to the west elevation and over part of the Platform Performing Arts offices to the south elevation. Access to the offices is via a staff entrance at pavement level to the south elevation, through a shared corridor with kitchen and WC rooms leading from it. Stairs lead up to the first floor.

The first floor accommodation comprises of an open plan area with velux windows. From this office there are two further rooms, one with a foiled circular window to the west elevation and another office with window to the east elevation, overlooking the atrium to the concourse. There is a further window to the north elevation. To the northern end there is access to the roof void, compartmented into two rooms.

The habitable rooms to the first floor consist of carpet flooring with painted plaster walls and ceilings and are in a satisfactory condition. Doors currently do not have door closers and it is recommended that these are fitted.

The roof void areas consist of partly boarded walkway over joists infilled with mineral fibre quilt insulation. The walls are brickwork. The underside of the roof has been coated with expanding foam. The Platform is Grade II Listed. English Heritage recommend this procedure is not applied to Listed Buildings, as the foam damages the ends of slates and prevents them being reused. Also the slate battens and rafters are sealed in, which may cause rotting as there is insufficient air flow and condensation may occur. The roof space appears satisfactory, however it is recommended that the roof space is inspected regularly for condensation and any rot to timbers.

Between the joists there is 100mm insulation, this falls short of current Building Regulations (270mm). It is recommended further mineral quilt fibre is cross laid to reach this height and that walk ways are raised.

The door to roof space 5 is currently not fire rated and requires replacing with a fire door and all associated door ironmongery.

Tourist Information Centre

The Tourist Information Centre is located to the sea side of the building. It consists of a large room which the General Public access and a back office. Surfaces in the tourist information office are of a good standard with vinyl flooring and painted walls and ceiling. There are shelving and display units to the perimeter of the room. The rear office has painted walls and ceiling with carpet to the floor which is heavily stained and requires replacing.

Access to the Tourist Information Office is either through the main public entrance via the porte-cochere or from a staff doorway to the south elevation.

Mechanical

The heating in the building is supplied through a roof top mounted air handling unit with an integral 476kw output airstream mounted gas fired burner this unit is manually turned on and off by staff and this air handling unit is proving problematic and costly to maintain and is approaching the end of serviceable life odours which are the products of combustion are leading to complains from building operatives. This system will need replacement, with a ducted ventilation system incorporating heat recovery, served by a gas fired condensing boiler feeding radiant panels and controlled with a building management system.

The platform offices are heated by a separate low pressure hot water heating system with radiators and a second domestic sized gas meter serves this boiler.

The tourist information centre is heated / cooled via ceiling cassette refrigerant based air source heat pump units.

The main entrance lobby is heated by way of a high level fan convector wall mounted onto feature tile work. These needs replacement with an air curtain over the main entrance and remove the convectors. Approximate overall cost £195000

The sanitary fixtures and fittings are in good condition

Pipe work is installed in a mixture of copper and iron and is in a good condition throughout.

Electrical

The platform is a live performance venue in a converted railway station.

The electrical installation is approximately 14 yrs old has been well maintained and is of good condition throughout. The system is wired in PVC single cables contained buried in the walls or surface mounted in conduit and trunking and micc bare copper pyro is clipped surface to the fabric of the building. All distribution and control equipment again are in a very good condition.

There are adequate power points throughout and it systems in place and the lighting is fit for purpose and satisfactory. The existing distribution would benefit from the provision of additional distribution board as the existing boards are approaching becoming fully loaded and this would provide a number of spare ways for future additional circuits.

The existing stage lighting comprises 6 no lighting support trusses, 3 no located above the central side stage area and 3 no mounted transversely at the managers office.

No evidence of pat testing certification was found on site so a recommendation of a full pat test is undertaken.

Property:	MARINE ROAD CENTRAL - FORMER OLD STATION BUILDING - THE PLATFORM
Block:	Ground Floor
Element:	Mechanical Services
Sub-Element:	Heat Source & Equipment
Item:	7.1.1 - Heat Source & Equipment
Location:	Building Wide
Room:	
Condition:	C
Priority:	2
Time Scale:	2013-2014

Defect:

roof top mounted air handling unit with an integral 476kw output airstream mounted gas fired burner this unit is manually turned on and off by staff and this air handling unit is proving problematic .

Remedy:

This system will need replacement, with a ducted ventilation system incorporating heat recovery, served by a gas fired condensing boiler feeding radiant panels and controlled with a building management system. full new heating and water system installation required to this building as it is at the end of serviceable life

Estimate: £195,000.00

Photos: -