
Report To:	Policy & Resources Committee	Date:	3 February 2015
Report By:	Head of Legal & Property Services	Report No:	LP/018/15/EM
Contact Officer:	Eddie Montgomery	Contact No:	712472
Subject:	Other Property Assets – Forward Years Investment Review		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the progress of the review of the forward years investment plan and the estimated costs in connection with the 'Other Property Assets' category.

2.0 SUMMARY

- 2.1 The forward years investment plan for 'Other Property Assets' has been reviewed and updated to reflect the progress made over the last 5 years and to include updated condition survey information, maintenance estimates, life cycle requirements and future mid-life upgrade/refurbishments. The overall Corporate Asset Management Plan review is on-going.
- 2.2 The investment required in the Other Property Assets over the next 10 years to maintain the stock in adequate condition is substantial and there is a significant shortfall between the investment required and the current level of investment through the Property Services core allocation. The position based largely on externally procured assessment of condition is shown in Appendix 1.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee agree the proposal to increase the core Property Services allocation from £1million per year to £2million per year to address the investment required in the 'Other Property' Assets as outlined in the report.
- 3.2 It is recommended that the Committee note that final decisions in respect of the 2015/18 Capital Programme, including the use of any surplus resources, will be taken at the Council meeting on 19 February 2015.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 The 2009 Corporate Asset Management Strategy noted that maintenance expenditure had historically been highly reactive with funding targeted at urgently required maintenance when it is identified and as it arises. The Strategy outlined the proposal to utilise Asset Management Planning to support planned investment and maintenance through the Council's Property Service and to ensure the value for money focus of its Central Repairs Allocation.
- 4.2 The forward years investment plans that formed part of the 2009 strategy included estimates of future maintenance and upgrading costs and provided an estimate of year 1 to year 5 expenditure for the Council's properties and a year 6 to year 10 forecast. The 2009 summary indicated that investment of an estimated £171million needed to be considered and planned by the Council in order to upgrade and maintain in adequate condition the existing property portfolio at that time. This estimate included allowances for mid-life upgrade and refurbishment and works in connection with future investment plans at that time.
- 4.3 The Council's current annual allocation to address the on-going maintenance and upgrading of its Other Property Assets is £1million which includes an element of statutory duty related works.
- 4.4 The Draft 2015/18 Capital Programme report as presented to the November 2014 Policy & Resources Committee noted that the need for a £1million increase in Property Assets capital would be the subject of a more detailed report to Members as part of the consideration of the overall budget. This report addresses that commitment.

5.0 OTHER PROPERTY ASSETS

- 5.1 The Council's Corporate Asset Management Strategy has progressed significantly in the last 5 years with the various strands of the strategy e.g. School Estate Management Plan (SEMP), Roads Asset Management Plan (RAMP), Leisure Strategy and the Offices and Depots Asset Management Plan all advancing with significant rationalisation and modernisation of the Council's Property Assets achieved. All of these plans have separate funding models underpinning their implementation. The Property Services core allocation is the only funding available to address medium to larger scale lifecycle works unless specific funding is sought and made available via Committee for individual property upgrade/refurbishment.
- 5.2 The Other Property Assets category includes the following:
 - Leisure Trust Managed properties (major maintenance responsibility remains with the Council) including sports facilities, community halls and town halls.
 - CHCP Council related properties i.e. resource centres, children's homes etc.
 - Cemetery and Crematorium related properties.
 - Libraries and Museums.
 - Operational properties i.e. lifecycle and major maintenance works not specifically addressed by AMP funding model.
- 5.3 Updated condition surveys for a substantial number of the properties above have been carried out during 2nd and 3rd quarters 2014. This information has been utilised, as part of the planned periodic review of the Corporate Asset Management Plan, to update the forward investment plan within the current plan. The plan has also been updated to reflect the significant changes over the last 5 years and estimated life cycle profiles are being prepared for the new and fully refurbished facilities to address the future investment required to maintain the properties current condition and suitability ratings.

- 5.4 A summary of the investment required in the “Other Property Assets” over the next 10 years is included as Appendix 1. This indicates that in the region of £25.575million is required to maintain the property in satisfactory condition. Further refinement of the plan is on-going in consultation with the various services in respect of the assumptions made on future plans for properties.
- 5.5 It should be noted that the estimated cost of £25.575million outlined above relates to the repair and maintenance of the fabric and services infrastructure of the facilities only and does not include any element of remodelling, enhancement or upgrading to address significant suitability issues which are normally taken forward through separate comprehensive refurbishments. It should also be noted that even with the increased level of investment the Council will require to continue to review and manage its asset base to ensure that it can afford the property assets it is currently operating.

6.0 PROPOSED ACTION

- 6.1 The Draft 2015/18 Capital Programme as reported to the November 2014 Policy & Resources Committee included a recommendation, subject to the overall budget process, that the annual Property Assets expenditure of £1million be increased to £2million utilising prudential borrowing, to partially address the shortfall in the investment required in the Other Property Assets and the current level of investment.

7.0 IMPLICATIONS

Finance

- 7.1 The financial implications were set out in the report to the November 2014 Policy & Resources Committee (extract below).

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Other Property	Capital	2015/18	1,000		Funded by recurring costs detailed below

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
Loan Charges	-	2015/17	70	-	Annual prudential borrowing costs will increase by £70K/year for every year an extra £1million is allocated

Legal

- 7.2 There are no legal implications arising from this report.

Human Resources

7.3 There are no HR implications arising from the contents of this report.

Equalities

7.4 There are no direct equalities implications arising from this report.

Repopulation

7.5 The Council's continuing significant level of Capital Investment provides opportunity for local businesses to invest and increase employment and therefore assist with the Council's repopulation agenda.

8.0 CONSULTATIONS

8.1 This report has been produced in consultation with the Asset Management CIG, the Corporate Director Environment, Regeneration & Resources and the Chief Financial Officer.

9.0 LIST OF BACKGROUND PAPERS

9.1 Corporate Asset Management Strategy – Property, Land & Buildings and Action Plan - 12th March 2009.

INVERCLYDE COUNCIL - REGENERATION & RESOURCES

Asset Management Plan - Forward Years Investment Plan

PIU Operational Portfolio - Prioritised Assets: Other Property

	Description	Building Name	Street	Town	Post Code	Size (m2) GIA	2014 Status	Planned / Recent Investment	Condition Rating	Suitability Rating	Investment Required Years 1-5 (£)	Investment Required Years 6-10 (£)	Notes
INVERCLYDE LEISURE													
Centre	COMMUNITY CENTRE	CRAWFURDSBURN	EAST CRAWFORD STREET	GREENOCK	PA15 2BS	404	L		C	A	£211,209	£62,788	
Centre	COMMUNITY CENTRE	BOGLESTONE	BOGLESTONE	PORT GLASGOW	PA14 5TJ	1,776	L	Last major work over 10 years ago.	C	B	£578,864	£352,902	
Centre	CENTRE	BOW FARM FAMILY CENTRE	PATON STREET	GREENOCK	PA16 7EN	384	L		B	B	£76,800	£153,600	
Centre	CENTRE	CLUNE PARK RESOURCE CENTRE	MONTGOMERIE STREET	PORT GLASGOW	PA14 5NS	441	L	Refurbished 2003.	B	A	£88,200	£88,200	
Hall	COMMUNITY HALL	PORT GLASGOW TOWN HALL	SHORE STREET	PORT GLASGOW	PA14 5HD	1,901	L	Rewire Ph.1 Aug 2009 £110K. G/F & 1st Fl Toilet Refurb 2013 £84K + reception £11K + stage lift £7K. Windows £50K 2015. Refresh budget 2014/15 mainly rewiring £358K.	C	A	£826,846	£382,831	Mainline - IL.
Hall	COMMUNITY HALL	PARK FARM COMMUNITY HALL	ORONSAY AVENUE	PORT GLASGOW	PA14 6EF	265	C		B	A	£46,375	£19,875	Vacant - IL
Hall	COMMUNITY HALL	STRONE & MAUKINHILL COMMUNITY HALL	ABERFOYLE ROAD	GREENOCK	PA15 3DF	158	C		C	B	£27,650	£11,850	Vacant - IL
Hall	COMMUNITY HALL	AUCHMOUNTAIN HALL	BURNHEAD STREET	GREENOCK	PA15 3LG	745	L	Refurbished 2003.	B	A	£136,520	£48,835	Mainline - IL.
Hall	COMMUNITY HALL	MEADOWLARK	GLENCAIRN ROAD	GREENOCK	PA16 0NB	142	L		B	B	£24,850	£10,650	Vountary run - IL
Hall	COMMUNITY HALL	UPPER LARKFIELD	LOTHIAN ROAD	GREENOCK	PA16 0PG	235	L		B	A	£41,125	£17,625	Voluntary run - IL
Hall	COMMUNITY HALL	GRIEVE ROAD	GRIEVE ROAD	GREENOCK	PA16 7AW	259	L		B	B	£45,325	£19,425	Mainline - IL
Hall	COMMUNITY HALL	FANCY FARM	CAWDOR CRESCENT	GREENOCK	PA16 7LS	166	L		C	B	£29,050	£12,450	Voluntary run - IL
Hall	COMMUNITY HALL	WEMYSS BAY	ARDGOWAN ROAD	WEMYSS BAY	PA18 6AT	235	L		B	B	£41,125	£17,625	Voluntary run - IL
Hall	COMMUNITY HALL	UPPER GOUROCK	KIRN DRIVE	GOUROCK	PA19 1EQ	256	L		B	A	£44,800	£19,200	Mainline - IL
Hall	COMMUNITY HALL	GAMBLE HALLS	SHORE STREET	GOUROCK	PA19 1RG	805	L	Windows 2015 £175K.	C	B	£542,765	£63,660	Mainline - IL.
Hall	COMMUNITY HALL	GREENOCK TOWN HALL	CLYDE SQUARE	GREENOCK	PA16 1LX	4,556	L	Foyer electrical Oct 2012 £108K. Kitchen upgrade 2015 £60K. Saloon decoration £30K.	B	A	£805,301	£390,679	Mainline - IL.
Sports	SWIMMING POOL	PORT GLASGOW BATHS	BAY STREET	PORT GLASGOW	PA14 5EB	892	L	Refurbished 2004. Emergency lighting £7K 2014.	B	B	£251,096	£5,232	Mainline - IL.
Sports	LEISURE COMPLEX	WATERFRONT	CUSTOMHOUSE WAY	GREENOCK	PA15 1EG	8,174	L	Refrigeration plant replaced 2014 £399K + tusk repairs £43K. CHP Plant proposed 2015 £250K & Flume strut repairs £35K. Plant screen £30K.	B	A	£1,730,519	£3,622,225	Mainline - IL.
Sports	SPORTS CENTRE	GREENOCK	NELSON STREET	GREENOCK	PA15 1QH	3,628	L	Partial Refurbishment 2013/14 £625K.	B	B	£395,032	£1,098,786	Mainline - IL.

Sports	SPORTS CENTRE	LADY OCTAVIA	BRIDGEND ROAD	GREENOCK	PA15 2JN	1,276	L	Reception upgrade 2013 £15K.	C	A	£639,206	£28,778	Mainline - IL.
Sports	PAVILION/CHANGING	BATTERY PARK PAVILION	BATTERY PARK	GREENOCK	PA19 17T	917	L	Boilers renewed 2014 £41K.	B	A	£303,252	£52,323	Mainline - IL.
Sports	SWIMMING POOL & GYM	OUTDOOR POOL GOUROCK	ALBERT ROAD	GOUROCK	PA19 1NH	799	L	Comprehensive refurbishment 2012 £2.036M. Fire alarm £15K 2014. £130K allocated 2014/15 for ramp and ventilation works.	B	A	£190,402	£53,195	Mainline - IL.
Sports	STADIUM/PARK/TRACK	RAVENS CRAIG STADIUM	AUCHMEAD ROAD	GREENOCK	PA16 0JE	1,042	L	Refurbishment completed 2013 £1.836M.	B	B	£169,940	£194,119	
Sports	PAVILION/CHANGING	PARKLEA PAVILION	PARKLEA	PORT GLASGOW	PA14 6TR	780	L	New build completed 2012 £4.721M.	A	A	tbc	tbc	Lifecycle plan being prepared.
Sports	PARK/CHANGING	RANKIN PARK	INVERKIP ROAD	GREENOCK	PA16 9EU		L	New build completed 2014 £1.4M (incl. grass pitch).	A	A	tbc	tbc	Lifecycle plan being prepared.
Sports	BOWLING CLUB	INVERCLYDE INDOOR	BOGSTON LANE	GREENOCK	PA15 2UL	2,548	L	Refurbishment completed Sept 2011 £152K.	B	A	£861,039	£109,879	
Sports	FITNESS GYM	BIRKMYRE PARK GYM	KNOCKBUCKLE ROAD	KILMACOLM	PA13 4HX	608	L	Refurbishment completed 2008.	A	A	£140,070	£292,661	
Sports	SPORTS CENTRE	RAVENS CRAIG	AUCHMEAD ROAD	GREENOCK	PA16 0JN	1,270	L	Separate investment plan via IL £1.2M overall (£600K IC + £600K loan)	C	A	£0	£0	Survey indicated £546K Yrs 1-5 and £114K Yrs 6-10.
Sports	PAVILION/CHANGING	PAVILION BUILDING 12	GOUROCK PARK	GOUROCK	PA16 8AP	261	L		B	A	£26,100	£52,200	
Sports	PAVILION/CHANGING	BROOMHILL PAVILION	DUNN STREET	GREENOCK	PA15 4JF	118	L	Refurbished Nov 2010 £230K.	A	A	£8,850	£23,600	
CHCP													
Centre	CENTRE	GIBSHILL CNTR FOR IND. LIVING	GIBSHILL ROAD	GREENOCK	PA15 2UP	1,409	O		B	A	£243,211	£598,925	
Centre	CENTRE	FITZGERALD ADULT TRAIN. CENTRE	LYNE DOCH STREET	GREENOCK	PA15 4AH	1,306	O		B	A	£272,607	£730,509	
Centre	CENTRE	GOLF ROAD RESOURCE CENTRE	GOLF ROAD	GOUROCK	PA19 1DQ	90	O		B	B	£10,647	£12,102	
Centre	CENTRE	McPHERSON CENTRE	McPHERSON DRIVE	GOUROCK	PA19 1LJ	958	O		B	A	£177,701	£486,082	
Centre	CENTRE	INVERCLYDE CENTRE	DALRYMPLE STREET	GREENOCK	PA15 1BZ	1,813	O		B	A	£253,622	£789,633	
Centre	CENTRE	WELL PARK CENTRE	REGENT STREET	GREENOCK	PA15 4PB	754	O	New build 2010 £2.5M.	B	A	£35,084	£93,484	
Centre	CENTRE	CALADH HOUSE	BANK STREET	GREENOCK	PA15 4PG	597	O	Refurbishment project imminent circa £475K Revenue funded.	B	B	£262,985	£84,589	
Residential	RESIDENTIAL HOME	CROSSHILL HOUSE	CROSSHILL PLACE	PORT GLASGOW	PA14 5UF	734	O	Separate investment plan £1.622M replacement.	B	C	£0	£0	Assumed no major investment due to planned closure summer 2017.
Residential	RESIDENTIAL HOME	HILLEND HOUSE FOR ELDERLY	EAST CRAWFORD STREET	GREENOCK	PA15 2BT	879	O	Extension completed Dec 2014 £86K.	B	A	£286,943	£136,912	
Residential	CHILDREN'S HOME	NEIL STREET	NEIL STREET	GREENOCK	PA16 9JA	488	O	Emergency lighting £8K 2013. Separate investment plan £1.558M replacement.	C	C	£0	£0	Assumed no major investment due to planned closure summer 2016.
Residential	CHILDREN'S HOME	KYLEMORE	KYLEMORE TERRACE	GREENOCK	PA16 0RY	494	O	New build completed 2012 £1.244M.	A	A	£25,391	£89,821	
CEMETERY/CREMATORIUM													
Cemetery	CEMETERY	KNOCKNAIRSHILL WAITING ROOM	KNOCKNAIRSHILL CEMETERY	GREENOCK	PA15 3HT	29	O		B	A	£5,800	£11,600	
Cemetery	CEMETERY	WORKSHOP	KNOCKNAIRSHILL CEMETERY	GREENOCK	PA15 3HT	94	O		B	A	£7,050	£14,100	
Cemetery	CEMETERY	CREMATORIUM	SOUTH STREET	GREENOCK	PA16 8UG	486	O	No major work since 2009. Cremator repairs £25K 2014/15. Lighting and floor coverings within last 5 years.	C	A	£225,516	£96,798	
Cemetery	CEMETERY	IVY HOUSE	SOUTH STREET	GREENOCK	PA16 8UG	104	O		C	C	£97,731	£43,603	

Cemetery	CEMETERY	OFFICE/WAITING ROOM	SOUTH STREET	GREENOCK	PA16 8UG	119	O	Waiting room minor refurbishment within last 5 years. CCTV installed.	B	B	£30,254	£19,185		
Cemetery	CEMETERY	GARAGE/STORE	SOUTH STREET	GREENOCK	PA16 8UG		C	Fire damaged. Replacement being procured (£16K).	D	D	£0	£0	Awaiting provision of new structure.	
Cemetery	CEMETERY	GARAGE/STORE	LARKFIELD ROAD	GOUROCK	PA19 1YD	62	O		B	D	£4,650	£9,300		
Cemetery	CEMETERY	GARAGE/STORE	GLASGOW ROAD	PORT GLASGOW	PA14 6RZ	78	O		B	C	£5,850	£11,700		
LIBRARIES/MUSEUMS														
Library	LIBRARY	PORT GLASGOW	MUNICIPAL BUILDINGS FORE STREET	PORT GLASGOW	PA14 5EX	791	O	Refurbished 1994. Minor refurbishment 2010 £25K.	B	A	£155,736	£419,806		
Library	LIBRARY	JAMES WATT LIBRARY	UNION STREET	GREENOCK	PA16 8TY	687	O	Separate investment plan. E&C Capital £4M.	C	D	£0	£0	Survey indicated £474K Yrs1-5 and £41K Yrs 6-10.	
Library	LIBRARY	SOUTH WEST	INVERKIP ROAD	GREENOCK	PA16 9HG	296	O	Refurbishment completed Aug 2012. £314K.	B	A	£98,921	£22,673		
Library	LIBRARY	GOUROCK	KEMPOCK PLACE	GOUROCK	PA19 1QU	288	O		B	A	£95,251	£87,135		
Museum	MUSEUM & ART GALLERY	McLEAN MUSEUM & ART GALLERY	UNION STREET	GREENOCK	PA16 8JH	2,140	O	Separate investment plan. E&C Capital £4M.	C	A	£0	£0	Survey indicated £665K Yrs1-5 and £268K Yrs 6-10.	
OPERATIONAL PROPERTIES - OFFICES														
Operational	OFFICE	MUNICIPAL BUILDINGS	CLYDE SQUARE	GREENOCK	PA15 1LT	10,586	O	In office AMP but requires more investment. Fit out fire museum May 2011 £100K. HR offices, 2nd fl ladies WC & toilets, members lounge - £54K Mar 2013. Customer Centre June 2012 £2.457M + Banking Hall £256K. Boiler replacement 2014 £80K + Door security £19K. District Court Offices allocation 2014/16 £2.305M. Windows £150K 2015.	C	A	£982,330	£1,312,363		
Operational	OFFICE	WEST STEWART STREET	WEST STEWART STREET	GREENOCK	PA15 1YB	1,587	O	Survey indicated £725K Yrs1-5 and £69K Yrs 6-10.	B	B	£0	£0	To be vacated and sold 2017. Assumed no investment.	
Operational	OFFICE	HECTOR McNEIL HOUSE	CLYDE SQUARE	GREENOCK	PA15 1NA	1,920	O	Conversion and refurbishment completed 2014 £3.576M.	A	A	tbc	tbc	Lifecycle plan being prepared.	
Operational	OFFICE	PRINCESS ST HOUSE	PRINCESS STREET	PORT GLASGOW	PA14 5JH	486	O	Conversion and refurbishment completed 2014 £820K. Fit out £55K.	A	A	tbc	tbc	Lifecycle plan being prepared.	
Operational	OFFICE	WALLACE PLACE	WALLACE PLACE	GREENOCK	PA15 1LZ	1,693	O	Conversion and refurbishment completed 2015 £2.33M. Library fit out £100K.	A	A	tbc	tbc	Lifecycle plan being prepared.	
OTHER OPERATIONAL PROPERTIES														
Centre	CENTRE	OLD MENS CLUB	FORE STREET	PORT GLASGOW	PA14 5EG	92	L							
Centre	CENTRE	FORMER GARVEL DEAF CENTRE	CHESTER ROAD	GREENOCK	PA16 0TT	125	C		C	C	£120,454	£20,057	Surplus, to be leased or demolished.	
Centre	CENTRE	FORMER DAY NURSERY ADJOINING GAMBLE HALL	KING STREET	GOUROCK	PA19 1PU	123	C		B	C	£59,280	£59,474	Currently vacant to be upgraded for CLD use.	

Centre	DAY CENTRE	YOUTH CONNECTIONS (FORMER JOHN REID LIBRARY)	BURNS SQUARE	GREENOCK	PA16 0NT	251	O		B		£47,631	£80,612	In use for youth connections.
Centre	CENTRE	CRAIGEND RESOURCE CENTRE	McLEOD STREET	GREENOCK	PA15 2HD	210	L		B		£61,521	£154,039	
Centre	CENTRE	KING GEORGE VI CLUB	KING STREET	PORT GLASGOW	PA14 5JA		L		C		£289,977	£38,719	
Hall	COMMUNITY HALL	YOUTH CONNECTIONS	LEVEN ROAD	GREENOCK	PA15 3DX	216	L				£0	£0	Youth connections.
Library	LIBRARY	FORMER LIBRARY	BAWHIRLEY ROAD	GREENOCK	PA15 2BH	129	L				£0	£0	Leased to Unison.
Operational	OFFICE	YOUTH CONNECTIONS	NICOLSON STREET	GREENOCK	PA15 1UL	159	L				£3,575	£8,713	currently iZone
Operational	OFFICE	PORT GLASGOW	MUNICIPAL BUILDINGS FORE STREET	PORT GLASGOW	PA14 5EX		L	Refurbished by RI for current tenant.	B	A	£66,293	£135,255	
Operational	OFFICE	YOUTH CONNECTIONS	BOGGLESTONE	PORT GLASGOW	PA14 5TJ	242	O		B	A	£8,803	£22,298	
Sports	GOLF CLUBHOUSE	WHINHILL	OLD LARGS ROAD	GREENOCK	PA16 9LJ	132	O	Ladies locker room refurbished.	C	B	£232,236	£34,882	
Nature	VISITORS CENTRE	CORNALEES	LOCH THOM	INVERKIP	PA16 9LX	350	L		B	A	£200,103	£95,926	
											£12,649,465	£12,925,488	

£25,574,953

D	Demolished
O	Open/Operational
L	Open/Leased
C	Closed/Vacant