

<b>Committee:</b> Corporate Asset Sub Committee – For Information	<b>Dated:</b> 5 June 2019
<b>Subject:</b> Cyclical Works Programme 2018/19 Quarter 4	<b>Public</b>
<b>Report of:</b> The City Surveyor report ref CS 191/19	<b>For Information</b>
<b>Report author:</b> Chris Hartwell, City Surveyor's Department	

## Summary

This report provides an overview of the progress and expenditure of the current Cyclical Works Programmes (CWP 17/18 and CWP 18/19) at the end of Q4 2018/19.

The programmes last for three years. CWP 17/18 comprises 436 individual projects with a total value of £11.9m, CWP 18/19 comprises 577 projects with a total value of £11.4m. The programmes are intended to deliver prioritised cyclical maintenance works (i.e. replacement or refurbishment of buildings, plant and equipment based on condition assessed at the end of normal useful service life and operational need) across the corporate operational estate, including The Barbican Centre and the Guildhall School of Music and Drama.

Governance of the CWP is overseen by your Committee and executed by the CWP Peer Review Group. There is provision in the governance arrangements to allow projects to be promoted into the programme in case of urgent need. Since the last report, one project has been promoted as urgently required.

Overall progress is satisfactory with almost £6.7m spent or committed on CWP17/18, or 57% of the total at the half-way mark, and CWP 18/19 progress has maintained momentum with £3.8m spent or committed (34% of total) during the first year.

## Recommendations

Members are asked to receive this report, note changes to the programme and the overall progress.

## Main Report

### Background

1. There is need to conduct planned refurbishment and replacement of buildings and their associated equipment in addition to routine serving and repairs. Resources being limited, such works need to be prioritised across the entire corporate operational estate. The Cyclical Works Programmes consider the requirements of each and prioritises individual projects in the context of the whole to ensure that the City's overall property maintenance objectives are met.

2. Governance arrangements for the CWP were agreed by your Committee in September 2016 (report ref CS 248/16). A separate description of the project prioritisation process is provided in report CS 492/17. The governance arrangements provide a mechanism for projects to be promoted into the programme.
3. Since the last report, one substantial (>£50k) project has been promoted as being urgently required:

C038CW056L	63 Charterhouse St: Structural Beam Repair.	£88,000
C088CW102L	Sundial Court: Refurbishment of ventilation system	£80,000
C088CW103L	Sundial Court: Fire Stopping	£60,000
C178CW290L	Parliament Hill Fields Lido: Repairs to water leak	£118,716

The projects are being funded from saving made on other projects in the programme.

### Current Position

4. CWP 2017/18 progress is summarised in the table below. A fuller picture based on the fund and area of service can be found in Appendix A.

### Cyclical Works Programme 2017/18 Progress

<b>TABLE 1: TOTAL PROGRAMME PROGRESS TO DATE AT 31/03/19</b>						
<b>Fund / Service</b>	<b>Total Budget</b>	<b>Total Actual Spend</b>	<b>Further Committed</b>	<b>Total Cost</b>	<b>Balance Un-committed</b>	<b>Total Progress</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>%</b>
<b>2017/18 Programme</b>						
<b>City's Cash</b>	<b>6,493</b>	<b>3,070</b>	<b>372</b>	<b>3,442</b>	<b>3,051</b>	<b>53%</b>
<b>City Fund</b>	<b>4,144</b>	<b>2,464</b>	<b>143</b>	<b>2,607</b>	<b>1,536</b>	<b>63%</b>
<b>Guildhall Admin *</b>	<b>1,312</b>	<b>573</b>	<b>139</b>	<b>712</b>	<b>600</b>	<b>54%</b>
<b>TOTAL</b>	<b>11,948</b>	<b>6,107</b>	<b>655</b>	<b>6,761</b>	<b>5,187</b>	<b>57%</b>

\*£139k transferred to Capital projects

**TABLE 2: SPEND AGAINST 2018/19 TARGETS TO DATE AT 31/03/19**

Fund / Service	Total Budget	Budget 2018/19	Actual Spend 2018/19	Spend Against Target
	£000's	£000's	£000's	%
<b>2017/18 Programme</b>				
City's Cash	6,493	2,596	1,358	52%
City Fund	4,144	2,277	1,693	74%
Guildhall Admin	1,312	617	304	49%
<b>TOTAL</b>	<b>11,948</b>	<b>5,490</b>	<b>3,355</b>	<b>61%</b>

- The 2017/18 CWP programme consists of 436 projects with a total value of £11.9m.
- The current position is that an actual spend of £6.1m has been achieved and orders for a further £655k of work have been placed. Progress is good at the half-way stage with 57% complete by value spent or committed. Actual spend, however, was below expectations.
- Reasons include the time taken to establish a package of approximately £1m of work for delivery by the City's maintenance contractor Skanska, to maximise co-ordination with other maintenance activities, re-phasing to suit operational requirements (e.g. £300k of redecorations at GSMD) and difficulties in procuring a specialist package of fire alarm works at the Barbican Centre. Though there are indications that internal resources are stretched, confidence in successful completion of the programme remains high.
- The status of the 2017/18 programme may be summarised as follows:

Complete	In Hand	Not Yet Started	Total
191	100	145	436

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#### al Works Programme 2018/19 Progress

- CWP 2018/19 progress is summarised in the tables below. More detail based on fund and area of service is at Appendix B

**TABLE 3: TOTAL PROGRAMME PROGRESS TO DATE AT 31/03/19**

Fund / Service	Total Budget	Total Actual Spend	Further Committed	Total Cost	Balance Un-committed	Total Progress
	£000's	£000's	£000's	£000's	£000's	%
<b>2018/19 Programme</b>						
City's Cash *	5,833	1,409	837	2,246	3,586	39%
City Fund**	4,101	731	338	1,070	3,031	26%
Guildhall Admin	1,429	213	310	522	906	37%
<b>TOTAL</b>	<b>11,362</b>	<b>2,353</b>	<b>1,485</b>	<b>3,838</b>	<b>7,523</b>	<b>34%</b>

\* £80k transferred to Capital Projects \*\* £345k transferred to Capital Projects

<b>TABLE 4: SPEND AGAINST 2018/19 TARGETS TO DATE AT 31/03/19</b>				
Fund / Service	Total Budget	Budget 2018/19	Actual Spend	Spend Against Target
	£000's	£000's	£000's	%
<b>2018/19 Programme</b>				
City's Cash	5,833	2,051	1,409	69%
City Fund	4,101	754	731	97%
Guildhall Admin	1,429	176	213	121%
<b>TOTAL</b>	<b>11,362</b>	<b>2,981</b>	<b>2,353</b>	<b>79%</b>

10. The 2018/19 CWP programme comprises 577 projects with a total value of £11.4m. The current position is that £2.35m has been spent and a further £1.49m committed giving total progress of about 34% the programme, which is slightly ahead compared with previous programmes at the first year point. While actual spend was £628k less than expected, for reasons similar to those described at para 9, confidence in successful completion of the programme remains high.

11. The status of the 2018/19 programmed may be summarised as follows:

Complete	In Hand	Not Started	Total
141	215	221	577

## Corporate & Strategic Implications

12. Cyclical Works Programmes set out to deliver three of the key objectives in the Corporate Property Asset Management Strategy.

- SO.1 – Operational assets remain in a good, safe and statutory compliant condition.
- SO.2 – Operational assets are fit for purpose and meet service delivery needs.
- SO.3 – Capital and supplementary revenue programmes are affordable, sustainable and prudent and that the limited available resources are directed to the highest corporate priorities.

## **Conclusion**

13. Progress on both programmes is good.

## **Appendices**

- Appendix A – 2017/18 Cyclical Works Programme
- Appendix B – 2018/19 Cyclical Works Programme

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