

<b>Committee(s):</b> Corporate Asset Sub Committee	<b>Date:</b> 25 <sup>th</sup> September 2019
<b>Subject:</b> Cyclical Works Programme (CWP) - Proposal for 2020-21	<b>Public</b>
<b>Report of:</b> City Surveyor CS: 362/19	<b>For Decision</b>
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## Summary

This report sets out a draft programme of work for 2020/21 in priority order for cyclical repairs and maintenance of the operational property portfolio (circa 600 properties) including the Barbican Centre and Guildhall School of Music & Drama but excluding the three independent schools, Spitalfields and Billingsgate markets and the Police which have alternative funding mechanisms as set out in paragraph three and five below.

These proposed works are required to help maintain the operational properties to a fair to good standard as outlined in the Corporate Asset Management Strategy. The information to create the bid list has been taken from the Forward Maintenance Plans which are reviewed and updated annually for each property.

The bid list has been split into two areas; the Actual List (above the red line) that includes the highest priority projects and a Reserve List (below the red line) which includes those projects that should ideally be undertaken but due to limited budgets does not form part of the actual bid list.

The total estimated cost of the work in the Actual List on the appendix schedules is £11.8m. The proposed programme of work is within the £11.8m assumption made in the Medium-Term Financial Forecast. Resource Allocation Sub-Committee approval for the programme resources will be sought in January 2020.

The total estimated cost of the work on the Reserve List is £25.4m.

Projects from the Reserve List will be promoted to the Actual List if savings are found during the lifetime of the programme. Any projects in the reserve list will form part of the following years bid list and will be assessed on their risk to the property and whether it not being completed increases that risk to the deterioration of the condition of the property.

## **Recommendation**

Members are asked to:

- review the attached appendix schedules and approve the recommended works in the Actual List to the value of £11.8m as essential and should be prioritised as proposed;
- review the attached appendix schedules and approve the list of projects in the Reserve List to the value of £25.4m as works that are essential, but funding does not exist and will be promoted should savings from the Actual List projects arise;
- agree the final proposed programme of works be submitted for approval of funding at the meeting of the Resource Allocation Sub-Committee in January 2020;
- approve that where projects on the Actual List are delivered at a saving or do not proceed for any reason that the funding be reallocated by the CWP Peer Review Group to undertake projects from the approved Reserve list and then report to this committee at the next progress report.

## **Background**

1. The Cyclical Works Programme (CWP) commenced in April 2017 after agreement that it would replace the Additional Works Programme (AWP) due to the inclusion of the Barbican Centre and Guildhall School of Music and Drama; the AWP had been operating since October 2008. The CWP allows the City to keep its operational property in good condition and to address the backlog of deferred maintenance within the portfolio.
2. Each year Members are presented with a draft schedule of prioritised works for review and agreement before being submitted to the meeting of the Resource Allocation Sub-Committee in January the following year.
3. The CWP does not include the three independent schools, Spitalfields Market Billingsgate market and the Police Sites excluding Guildhall Yard East which have a variety of alternative funding mechanisms through repairs and maintenance funds and reserves, which are used to fund cyclical works, over and above their local risk reactive repairs and maintenance budgets.
4. During the last 6 months Officers have been working together to create the bid list for the CWP from items in the Forward Maintenance Plans.
5. All projects which are individually valued over £250,000 or form a group of related works that when combined are over £250,000, have been excluded from the CWP. The capital works for 20/21 were presented to this Committee in July and will now be taken through the Gateway Process under the governance of the Projects Sub Committee at the required time, subject to a budget being available.

6. The CWP will be delivered over a three year period, with individual projects programmed according to a number of factors including season (e.g. external decorating is best programmed for better weather months), operational requirements, design, other adjustment with any major projects, specification and procurement lead times and manufacturers/contractors delivery forecasts.

### **Current Position**

7. Actual and Reserve lists have been prepared for works required in 2020/21. These are attached in Appendices A, B and C and are separated into City Fund, City's Cash and Guildhall Complex.
8. The list has been split into two elements:
  - The Actual list which includes projects that are classed as essential and have been prioritised accordingly
  - The Reserve list which includes projects that should also be undertaken to help keep the property in a "good safe and statutory compliant" condition, but have less immediate reputational, financial and operational impact and risk to operations. Due to budgetary constraints these are not likely to be funded in 2020/21 unless savings can be found and thus will be deferred into the "Backlog" of operational portfolio cyclical maintenance
9. The project prioritisation model developed for the CWP has been applied to projects identified from forward cyclical maintenance/replacement plans of the Barbican Centre, the Guildhall School of Music and Drama and the operational properties under the City Surveyors management.
10. Essential Projects for consideration to include in the bid list are ranked in order of priority according to the following criteria and scoring mechanism.
  - Health, Safety, Security & Equality (weighting 5)
  - Asset Performance including energy efficiency (weighting 5)
  - COL Reputational (weighting 4)
  - Maintaining Income Stream (weighting 4)
  - Client Feedback (weighting 2)
11. This year Equality has been added to the priorities under the Health, Safety and Security heading this means those projects that will assist groups with protected characteristics are scored on a higher basis and therefore more likely to be within the actual list. The new updated scoring matrix is included at Appendix E.
12. The CWP PRG, chaired by the Head of Finance Property Services, has met twice to consider the draft prioritisation of projects across all Departments. The panel has provided a "sense check" to ensure that the prioritisation ranking reflected in the Prioritisation model has been rigorously and consistently applied

and that the outcomes in terms of prioritisation align to the City's strategic aims and objectives.

13. The Reserve list is prioritised and therefore if savings have been achieved the CWP Peer Review Panel will assess the projects in order to determine which projects will be taken forward.
14. The CWP PRG confirmed that, based on the draft overall CWP prioritised project list, and the provisional 2020/21 funding envelope for the CWP allowed for in the Medium-Term Financial Strategy, that they were of sufficient priority to be recommended for advanced approval. That remains to be the case now and the overall prioritised project list for the 2020/21 CWP has been prepared, considered by the CWP PRG and recommended for approval by Members.
15. At the request of the Director of Open Spaces the draft programmes were presented to Hampstead Heath Highgate Wood and Queens Park Committee, Epping Forest and Commons Committee and Open Spaces City Gardens and West Ham Park Committee during June/July 2019.
16. The draft programme was also forwarded to Chief Officers for consultation, review, and impact on their operational service needs. Comments, where received have been considered by the CWP PRG and any changes of priority have been incorporated into the schedules.
17. The Actual List funding is split as follows:

City Fund -	£4,783,400
City Cash -	£6,174,000
Guildhall Complex -	£842,500
<b>Total -</b>	<b>£11,799,900</b>

The Guildhall Complex has been funded by £625,900 from City's Cash and £216,600 from City's Fund.

### **Corporate and Strategic Implications**

18. The proposals in this list support the theme "Protects, promotes and enhances our environment" within the City Together Strategy.
19. The CWP 2020/21 aims to continue to adopt a corporate wide approach to prioritisation of cyclical repairs and maintenance across the City's operational property portfolio.

### **Implications**

20. The proposed CWP programme for 2020/21 is within the £11.8m assumptions made within the Medium-Term Financial Strategy. The assumed funding envelope for the City Cash CWP projects in the 2020/21 bid included within the medium-term financial strategy is £6.8m and for City Fund CWP projects is £5m. Resource Allocation Sub-Committee approval for the programme resources will be sought in January 2020.

## **Conclusion**

21. The proposed programme for 2020/21 presents a further opportunity to continue to contribute to the maintenance of the City's operational asset portfolio.

## **Appendices**

- Appendix A City's Cash Schedule of works
- Appendix B City Fund Schedule of works
- Appendix C Guildhall Complex Schedule of works
- Appendix D How and where has the money been invested
- Appendix E Updated Scoring Matrix

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