

Committee: Corporate Asset Sub Committee – For Information	Dated: 7 Nov 2019
Subject: Cyclical Works Programme – Progress Report	Public
Report of: The City Surveyor report ref CS 436/19	For Information
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Summary

This report provides an overview of the progress and expenditure of the current Cyclical Works Programmes (CWP 17/18, CWP 18/19 and CWP 19/20) at the end of Q2 2019/20.

The programmes last for three years. CWP 17/18 comprises 470 individual projects with a total value of £11.7m, CWP 18/19 comprises 577 projects with a total value of £11.4m, CWP 19/20 comprises 474 with a total value of £11.8m. 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 broadly satisfactory with almost £8.7m spent or committed on CWP17/18, or 74% of the total, and CWP 18/19 progress has maintained momentum with £5.4m spent or committed (48% of total) at the half-way point. CWP 19/20 has started satisfactorily, £1.7m (14%) spent or committed in the first 6 months.

The timing of the delivery of some projects is being affected by the Fundamental Review because they depend on larger, capital-scale projects which are on hold. Recruitment and retention are affecting resource levels and teams are stretched. Access to operational buildings remains challenging. As a result, there are some projects originally in the 17/18 CWP that will not be completed by programme end in March 2020. If it is decided to progress these schemes, a request for an extension of the 17/18 programme into the next financial year will be made to your January meeting.

Following recent enquiries around the water loss to the Lido at Hampstead Heath, an update and timeline of events has been included within Appendix D.

Recommendations

Members are asked to:

1. 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 last report, one substantial (>£50k) project (C158CW041L, Guildhall: West Wing Chiller Repairs, £58,000) has been promoted as being urgently required. The project is 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. In June 2019 your Committee requested an update on the project to repair long-standing leakage at Hampstead Heath Lido. The project continues, pulse meters have been installed and measurements taken will quantify accurately how much leakage is occurring and when. A summary of project activity is given at Appendix D.

Cyclical Works Programme 2017/18 Progress

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	%
2017/18 Programme						
City's Cash	6,493	3,886	719	4,605	1,888	71%
City Fund**	3,846	2,623	385	3,007	839	78%
Guildhall Admin *	1,312	754	313	1,067	245	81%
TOTAL	11,652	7,263	1,416	8,680	2,972	74%

*£139k transferred to capital projects

**£298k transferred to capital projects

TABLE 2: SPEND AGAINST 2019/20 TARGETS TO DATE AT 30/09/19

Fund / Service	Total Budget	Budget 2019/20	Actual Spend	Spend Against Target
	£000's	£000's	£000's	%
2017/18 Programme				
City's Cash	6,493	3,410	847	25%
City Fund	3,846	1,372	169	12%
Guildhall Admin	1,312	633	183	29%
TOTAL	11,652	5,415	1,199	22%

5. The 2017/18 CWP programme consists of 470 projects with a total value of £11.7m.
6. The current position is that an actual spend of £7.26m has been achieved and orders for a further £1.42m of work have been placed. Progress is good with half a year to run, 74% complete by value spent or committed.
7. The bulk of the remaining work is the package of approximately £1m of work for delivery by the City's maintenance contractor Skanska in Open Spaces and several projects in the Barbican Centre and GSMD where progress has been delayed by various factors including complications in procurement, difficulty in gaining access and staff resource challenges.
8. Consideration is being given to which of these projects need to be carried forward and completed in 2020/21 from within the overall funding envelope for that financial year. If an extension of the 2017/18 programme is required for any of these scheme a request will made to your committee in January
9. There are indications that internal resources are stretched.
10. The status of the 2017/18 programme may be summarised as follows:

Complete	In Hand	Not Yet Started	Total
173	175	122	470

With

the exception of those listed in para 7 above, there are no projects not yet started with budgets greater than £50,000. confidence in delivering them is high.

Cyclical Works Programme 2018/19 Progress

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

TABLE 3: TOTAL PROGRAMME PROGRESS TO DATE AT 30/09/19

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	%
2018/19 Programme						
City's Cash *	5,833	2,672	467	3,139	2,694	54%
City Fund**	4,101	1,114	275	1,389	2,711	34%
Guildhall Admin	1,429	370	515	886	543	62%
TOTAL	11,362	4,156	1,258	3,838	7,523	48%

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

TABLE 4: SPEND AGAINST 2019/20 TARGETS TO DATE AT 30/09/19

Fund / Service	Total Budget	Budget 2019/20	Actual Spend	Spend Against Target
	£000's	£000's	£000's	%
2018/19 Programme				
City's Cash	5,833	2,051	1,321	64%
City Fund	4,101	754	508	67%
Guildhall Admin	1,429	176	163	93%
TOTAL	11,362	2,981	1,992	67%

12. The 2018/19 CWP programme comprises 577 projects with a total value of £11.4m. The current position is that £4.16m has been spent and a further £1.27m committed giving total progress of about 48% the programme at the half-way point.

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

Complete	In Hand	Not Started	Total
165	212	200	577

Cyclical Works Programme 2019/20 Progress

TABLE 5: TOTAL PROGRAMME PROGRESS TO DATE AT 30/09/19

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	%
2019/20 Programme						
City's Cash	5,354	367	530	897	4,457	17%
City Fund	5,156	156	425	581	4,575	11%
Guildhall Admin	2,137	87	229	316	1,821	15%
TOTAL	12,647	610	1,184	1,793	10,853	14%

TABLE 6: SPEND AGAINST 2019/20 TARGETS TO DATE AT 30/09/19

Fund / Service	Total Budget	Budget 2019/20	Actual Spend	Spend Against Target
	£000's	£000's	£000's	%
2019/20 Programme				
City's Cash	5,354	1,837	367	20%
City Fund	5,156	977	156	16%
Guildhall Admin	2,137	314	87	28%
TOTAL	12,647	2,981	1,992	20%

14. CWP 2019/20 became live in April 2019 and progress is summarised in the tables below. More detail based on fund and area of service is at Appendix C.

15. The 2019/20 CWP programme comprises 319 projects with a total value of £12.65m. The current position is that £1.99m has been spent and a further £1.18m committed giving total progress of about 14% of the programme, which represents a solid start after just 6 months of the new programme.

Corporate & Strategic Implications

16. 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

17. Progress on CWPs 18/19 and 19/20 is satisfactory. Some CWP 17/18 projects will need further time to complete and this will be reported to your committee in January, the impacts of uncertainty due to the Fundamental Review and stretch on project delivery resources are also beginning to be felt.

Appendices

- Appendix A – 2017/18 Cyclical Works Programme
- Appendix B – 2018/19 Cyclical Works Programme
- Appendix C – 2019/20 Cyclical Works Programme
- Appendix D – C178CW290L Hampstead Heath Lido Leak Repair Update

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