

Recommendations

Members are asked to:

1. Note the progress of current CWP programmes of work
2. Approve the requirement for up to £1.5 million of the 21/22 CWP Programme funding to be carried forward in to a second year. Projects affecting this carry forward will be reported in the end of year outturn report

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. The CWP is overseen by the City Surveyor's department who undertake most of the project delivery, however projects undertaken by the Barbican and Guildhall School and the engineering projects for the Department of the Built Environment (DBE) are delivered by their own teams and so are accountable for their element of project delivery not the City Surveyors' Department.
3. The Peer Review Group, chaired by the Chamberlain, has authority to agree funding increases and to divert funding to new projects that meet a jointly agreed criterion. These changes are made within the agreed programme funding envelope. This ensures that project issues can be dealt with promptly and has the potential to reduce the backlog of maintenance (bow-wave) where projects can be brought forward.

Current Position

The tables below outline overall programme performance, broken down to fund type and property type within that fund. A breakdown of the CWP programme for each year is included within the appendices.

Table 1 – Total programme expenditure for 21/22 financial year (figures up to the end of October 2021)

Fund		Original Budget	Latest Budget	Committed	Actual	Total Cost	Balance
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City's Cash	Corporate	1,606,000	1,023,000	302,471	300,459	602,930	420,070
	GSMD – Guildhall School	1,690,000	902,000	87,410	288,495	375,905	526,095
	Heritage	369,000	525,000	268,510	220,997	489,507	35,493
	Open Spaces	1,666,000	1,979,000	470,667	619,820	1,090,487	888,513
		5,331,000	4,429,000	1,129,058	1,429,771	2,558,829	1,870,171
City Fund	Barbican	3,787,000	2,359,000	112,189	238,550	350,739	2,008,261
	Corporate	2,384,000	2,516,000	791,167	528,741	1,319,908	1,196,092
	Heritage	4,000	113,000	39,000	33,536	72,536	40,464
	Open Spaces	518,000	664,000	92,423	349,775	442,198	221,802
		6,693,000	5,652,000	1,034,779	1,150,602	2,185,381	3,466,619
Guildhall	Corporate	1,616,000	1,624,000	500,328	524,776	1,025,104	598,896
	Heritage	379,000	747,000	321,666	250,918	572,584	174,416
		1,995,000	2,371,000	821,994	775,694	1,597,688	773,312
		14,019,000	12,452,000	2,985,831	3,356,067	6,341,898	6,110,102

4. Project Managers have been asked to provide realistic outturns for their respective projects so that the budget can be appropriately reviewed, with project funding (and forecasts) aligned to projects that may require an increase, or diverted to new projects that can be brought forward from the forward maintenance plan. This results in a reduction in this year's budget by £1.567million, this budget gets reprogrammed e.g. a portion of it will likely be spent in 22/23. This will be reprofiled in agreement with the Chamberlain.
5. This has had the following impact;
 - a. City's Cash budget reduced by c.£1.1 million, the majority of this being split between the GSMD and some of the Corporate portfolio. Heritage asset expenditure in this area has increased
 - b. City's Fund budget reduced by c.£1.1 million; with a budget reduction at the Barbican of c.£1.3 million, but this is reduced slightly by other asset areas requiring more funding within this year
 - c. An overall increase in the budget requirement at the Guildhall, where some works have been brought forward, where opportunities have arisen to do so
6. Whilst the Open Spaces area across City's Cash and City Fund are showing a lower expenditure, works have progressed with our maintenance repairs Contractor but are yet to be invoiced.
7. Over £2million is yet to be committed or spent at the Barbican, this is due to difficulties the centre has in programming large-scale maintenance works that could affect shows or bookings within the centre. Consequently, works often must be deferred. The peer review group are working closely with them, with the view to diverting some of this expenditure to other City Fund projects to reduce the impact of financial burden on future programme years. The group are

responsible for reviewing the reserve list from which projects will be promoted if funding comes available.

8. There are a few larger projects (e.g. building services type projects) that are yet to take place, that sit within the Corporate estate of City Fund, these make up a large portion of the uncommitted c.£1.2million in this area. Project Manager have confirmed that orders for these will soon be placed.
9. Overall expenditure across all funds is slightly behind where would be expected. Justification for this stems from:
 - a. Tight operational property windows where this type of work can be carried out
 - b. Complications in obtaining materials particularly for buildings services projects where suppliers are struggling to meet demand due to global 'chip' shortages
 - c. Resource levels across departments responsible for delivering this type of work has been impacted in relation to the TOM, primarily where individuals have left and roles had been previously 'frozen'
10. Despite the above, the City Surveyor is working to identify opportunities for diversion towards projects that can meet these programme dates. Consequently there remains the expectancy that the total revised budget will be spent.

Table 2 - Progress against the original CWP programmes

Year	Original Bid	Bid amount left at start of 20/21 FY	Total spent or committed	Balance left at end of Q2/2021	% Original Bid Left to Spend	Years left to spend by
2018/19	11,789,000	2,592,858	1,659,518	942,339	8%	Mar-22
2019/20	12,648,000	6,311,467	2,124,175	2,187,293	17%	Mar-23
2020/21	10,801,000	8,970,292	1,601,323	7,368,969	68%	Mar-24
2021/22	3,961,000	3,961,000	1,066,809	2,828,594	71%	Mar-22
Totals	39,199,000	21,835,617	6,451,825	13,327,195	34%	

11. This table outlines what the original programme budget was for each year versus how much is left to spend against that budget. The year that these budgets are due to spend by are in the final column for reference.
12. The table gives a good indication of how well programmes have performed over the period from when they were allocated. Project Managers have confirmed their expectation that the remaining 2018/19 budget will be spent before the end of March 2022.
13. Current indications suggest that some of the 2021/22 budget will need to be carried forward in to 2022/23 due to those issues indicated within paragraph 6 of this report. Some of these projects were those deemed as 'high priority', with a large portion allocated to the Barbican and GSMD for projects that can't be

delivered in this financial year due to Operational and planning issues. Project Managers have been asked to confirm the mitigation measures that they will be taking to address any risk of these projects being delayed, particularly those with high Health & Safety scoring. The overall budget to be carried over could be in the region of £1.5million, hence the recommendation within this report. Mitigation is being taken to ensure that the impact of this carry forward is minimised, consequently the full extent of projects that will not complete are not yet know.

14. There are nominal sums of expenditure still against the earlier funds from 2016/17 (c.£60k) and 2017/18 (c£.90k). These sums were allocated against historic and capital projects hence the money has still been held.

Corporate & Strategic Implications

15. 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

16. Several programming exercises have been undertaken by the City Surveyors department to provide a realistic forecast for each programme of work. This indicates that a portion of the 21/22 CWP programme will not be spent.

Various cost savings have been sought from many projects, these savings have been returned to the central funding pot and have been diverted to high scoring projects that may not have had previous funding. This will reduce funding pressures on future works programmes and enable the City Surveyor to address high priority maintenance projects across the corporate portfolio.

Appendices

- Appendix A – 2018/19 Cyclical Works Programme
- Appendix B – 2019/20 Cyclical Works Programme
- Appendix C – 2020/21 Cyclical Works Programme
- Appendix D – 2021/22 Cyclical Works Programme

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