

## MUNICIPAL YEAR 2019/2020 REPORT NO. 46

**MEETING TITLE AND DATE:**

Cabinet: 17<sup>th</sup> July 2019

**REPORT OF:**

Executive Director – Place

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**Agenda – Part: 1**

**Item: 11**

**Subject:**

**2019/20 Corporate Capital Condition Programme (CCCP)**

**Wards: All**

**Key Decision No: KD 4853**

**Cabinet Members Consulted:**

**Cllr Caliskan / Cllr Maguire**

### **1. EXECUTIVE SUMMARY**

- 1.1 The Council's Strategic Asset Management Plan (SAMP) describes our approach to the management of Council's property assets, including a set of core principles. Those principles include achieving 100% compliance, and managing our portfolio reduce expenditure and increase income.
- 1.2 The Corporate Capital Condition Programme (CCCP) expenditure funds capital condition works to the corporate property portfolio. The CCCP does not cover schools, or housing maintenance, which are subject to different funding streams. The CCCP was formerly known as the Building Improvement Programme (BIP), which has been a regular programme for many years.
- 1.3 The Corporate Capital Condition Programme (CCCP) for 2019/20 comprises works which the Council is contractually liable for, as well as works to address health and safety risks. The programme been prioritised based on condition survey information, reflecting the Strategic Asset Management Plan (SAMP).

### **2. RECOMMENDATIONS**

- 2.1 That Cabinet approves £1.5m allocation to 2019/20 Corporate Capital Condition Programme (CCCP), as previously reported in the Capital Strategy 2019/20 and 4 Year Capital Programme 2019/20 to 2022/23 as a project subject to approval.
- 2.2 To delegate authority to the Cabinet Member for Finance and Procurement to approve variations within the Corporate Capital Condition Programme (CCCP) allocation for 2019/20.

### **3. BACKGROUND**

- 3.1 The Council published in July 2019 a five-year Strategic Asset Management Plan (SAMP), which describes our approach to managing the Council's property assets. As part of this, a core principle is to achieve 100% compliance, alongside other principles to increase income and reduce expenditure.
- 3.2 To support the Strategic Asset Management Plan (SAMP), regular capital investment is needed to remediate health and safety matters, repair problems and replace components which have reached the end of their life. This responsibility is addressed via the budget allocation in the Corporate Capital Condition Programme (CCCP).
- 3.3 This report sets out the Corporate Capital Condition Programme (CCCP) for 2019/20 and seeks approval for the annual budget allocation. The programme is carefully tracked to ensure the available budget is not exceeded.
- 3.4 Use of the annual allocation is prioritised based on condition survey information and other asset information. Officers have considered the Council's contractual obligations and health and safety risks, and taken a prioritised, risk-based approach to establishing the Corporate Capital Condition Programme (CCCP) for 2019/20.
- 3.5 This programme was formerly known as the Building Improvement Programme (BIP). The proposed budget is like previous years, holding steady at £1.5m.

### **4. REASONS FOR RECOMMENDATIONS**

- 4.1 Capital investment in condition requires careful attention to buildings, their structure, engineering services and hard landscaped surroundings necessary to retain them, or help restore them, to an acceptable condition. These measures are required to enable their continued function, preserve value, integrity, and to meet the continued expectations of the occupier.
- 4.2 All of the works will be procured in line with the Council's constitution in order to deliver value for money.
- 4.3 The types of projects undertaken under the CCCP address health & safety risks, secure the longer-term condition of buildings, enhance their capital value and reduce the need for repeated reactive repairs.
- 4.4 Refer to Appendix A of the Part 2 Report for the indicative projects for 2019/20.

## **5. COMMENTS OF OTHER DEPARTMENTS**

### **5.1 Financial Implications**

- 5.2 The £1.5m programme will comprise £1.275m on capital works and £0.225m professional and technical costs.
- 5.3 This scheme was identified in Table B of Appendix 2 of the Capital Programme approved by Council in February as a 'Project in the Approvals Cycle' requiring further approval. The capital financing costs of all Projects in the Approval Cycle as well as those in the formally approved Capital Programme were built into the Council's Medium Term Financial Plan

### **5.4 Legal Implications**

- 5.4.1 The Council, as a corporate landlord has numerous duties under common law and under statute (including Health and Safety at Work etc. Act 1974, Health and Safety Offences Act 2008, and Corporate Manslaughter and Homicide Act 2007, Occupiers liability Acts 1957 and 1984) with regards the premises that it owns and/or controls. These duties extend to all people on premises controlled by the Council whether or not they have lawful authority to be on those premises. A well planned, executed and funded maintenance programme will assist the Council to demonstrate that it takes seriously its obligations as an organisation in control of premises and may assist it to defend any action taken as a result of any incident occurring on premises within its control. Section 120 of the Local Government Act 1972 permits the Council to acquire property for the purposes of performing its functions and s111 of the Local Government Act 1972 permits the Council to do anything that is incidental to a statutory function. The funding of a repair and maintenance programme would be within its powers.
- 5.4.2 The Council must ensure that any contracts for the repairs and maintenance are procured in accordance with the Council's Contract Procedure Rules and are in a form approved by Assistant Director of Legal Services.

### **5.5 Property Implications**

- 5.5.1 Regular and effective capital condition works are essential in ensuring the medium to long term health of a building. The programme been prioritised based on condition survey information, reflecting the Strategic Asset Management Plan (SAMP).
- 5.5.2 Failure to undertake appropriate capital condition works can lead to loss of property value, a building becoming unfit for purpose, and ultimate closure on suitability or health and safety grounds.

- 5.5.3 Effective capital condition works has the potential to reduce the level of carbon emissions produced by buildings. Energy efficiency gains will generally be realised for example, by renewing a boiler or a roof covering.
- 5.5.4 The CCCP must reflect the Strategic Asset Management Plan (SAMP) in terms of corporate proposals for the future redevelopment, adaption or disposal of the properties in the portfolio.

## **6. KEY RISKS**

- 6.1 The Corporate Capital Condition Programme helps prevent major buildings failure and reduce total maintenance costs over time;
- 6.2 As detailed under "Legal Implications", should relevant statutory functions not be complied with, there is an increased possibility of legal action with associated financial penalties;
- 6.3 Under investment in capital condition works would not reduce the level of carbon emissions produced by buildings.
- 6.4 We would advise that regular review of the risk and issues assessment is planned by service, to track any developing issues or risks.

## **7. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

- 7.1 **Good Homes in Well Connected Neighbourhoods** – The Corporate Capital Condition Programme (CCCP) will invest in operational buildings based on prioritised condition criteria, unless there is a good economic, compliance or environmental argument to incorporate lower priorities. The aim is to prevent building failure and to ensure services to the public are not interrupted.
- 7.2 **Sustain Strong and Healthy Communities** - The proposed programme contains several environmental improvements, particularly in relation to the replacement of inefficient building services plant.
- 7.3 **Build our Local Community to Create a Thriving Place** – Capital investment to address poor condition reduces the risk that buildings fall into disrepair and improves the environment for staff and visitors.

## **8. EQUALITY IMPACT ASSESSMENT**

- 8.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that for approval of the Corporate Capital Condition Programme (CCCP), an equalities impact assessment is neither relevant nor proportionate. However it should be noted that the

Council has a duty under the Equality Act 2010 to pay due regard to the needs of the protected characteristic groups. This includes ensuring that all public service provision is widely accessible to all users

## **9. PERFORMANCE AND DATA IMPLICATIONS**

- 9.1 Regular monitoring of the programme and individual contracts will ensure value for money is obtained and support effective delivery.

## **10. HEALTH AND SAFETY IMPLICATIONS**

- 10.1 The proper planning and timely maintenance and repair of Council buildings and associated assets, is fundamental in reducing risks to occupiers and members of the public.

## **11. PUBLIC HEALTH IMPLICATIONS**

- 11.1 Capital investment to address poor condition reduces the risk that buildings improves the environment for staff and visitors.

## **12. ALTERNATIVE OPTIONS CONSIDERED**

- 12.1 Do nothing – Not sustainable given the current estimated total backlog for capital condition works on corporate properties is £18m.

### **Background Papers**

None