

London Borough of Enfield

Cabinet

MeetingDate 15th September 2021

Subject: Corporate Condition Programme (CCP) for 2021/22 and 2022/23

Cabinet Member: Cllr Maguire

Executive Director: Sarah Cary, Place

Key Decision: Yes

Purpose of Report

1. To secure Cabinet approval for the continuation of the annual Corporate Condition Programmes (CCP) for 2021/22 and 2022/23.

Proposal(s)

2. That Cabinet approves the allocation of capital funding for the Corporate Condition Programmes (CCP) of £2.650m for 2021/22 and £2.809m for 2022/23 in line with the Council Capital Strategy.
3. To delegate authority to the Cabinet Member for Finance and Procurement to approve variations to the proposed schemes within the Corporate Condition Programme (CCP) allocation for 2021/22 and 2022/23.

Reason for Proposal(s)

4. The Council's Strategic Asset Management Plan (SAMP) describes the approach to the management of the Council's property assets, including a set of core principles. Those principles include achieving 100% compliance and managing the portfolio to reduce expenditure and increase income.
5. The Corporate Condition Programme (CCP) addresses major repair works to the corporate property portfolio. The CCP does not cover schools, or housing maintenance, which are subject to different funding streams. The CCP (formerly known as the Building Improvement Programme / BIP) has been a regular programme for many years. The CCP comprises works that the Council is contractually obligated to carry out; works to address health and safety and other compliance risks and major repairs to ensure buildings remain operational and fit for purpose.

Relevance to the Council Plan

6. ***Good Homes In Well Connected Neighbourhoods*** – The Corporate Condition Programme (CCP) 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. ***Safe, Healthy And Confident Communities*** - The proposed programme contains several environmental improvements, particularly in relation to the replacement of inefficient building services plant.
8. ***An Economy That Works For Everyone*** – Capital investment to address poor condition, utilising local SME's to carry out works where possible, to reduce the risk that buildings fall into disrepair and improve the environment for staff and visitors.

Background

9. In July 2019 Cabinet approved 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.
10. To support the SAMP, regular capital investment is needed to remediate health and safety matters, repair defects and replace components which have reached the end of their life. This responsibility is addressed via the budget allocation in the Corporate Condition Programme (CCP).
11. The progress of the CCP for 2020/21, approved in January 2020, was delayed by the Covid-19 pandemic and resulted in a capital slippage of £508k into 2021/22. Those works are now complete and awaiting final accounting and payment.
12. Notable works recently completed from previous allocation of CCP include: the complete refurbishment of Church Street recreation ground pavilion, replacement of D-block windows, complete refurbishment of Broomfield Conservatory. General works include: substantial works on asbestos abatement, fire safety improvement, disabled access and general lifecycle replacement.

Main Considerations for the Council

13. The impact of the Covid-19 pandemic on the capacity of the Council's works contractors and their materials supply chains delayed the completion of the CCP 2020/21 and caused real uncertainty to the quantum of CCP works that could be delivered during 2021/22 so the presentation of this report was delayed until officers had the confidence that any new CCP request can be delivered.
14. As a consequence, this report seeks approval of the CCP for both 2021/22 and 2022/23 annual budget allocations.

15. The annual CCP works programme is prepared from building condition survey information that objectively informs the prioritization of all works. However, building condition can often change suddenly and without notice, creating emergency maintenance requirements that are best managed by re-prioritizing the works programme. Officers will consider the Council's contractual obligations and health and safety risks when re-prioritizing the works with the approval of the Cabinet Member for Finance and Procurement, to ensure that condition priorities are met and the budget allocation is not exceeded.
16. Lifecycle replacement works present significant opportunities to reduce the environmental impact of the Council's buildings by replacing failed or life expired elements with modern equivalents that have increased energy and environmental performance. Examples include: increasing the thermal insulation of the building envelop (roofs and glazing), increasing the efficiency of heat sources, installation of decarbonisation systems.
17. This decision will enable the Council to assertively plan the Corporate Condition Programme for the following 18-months and regain all of the progress lost to the Covid-19 pandemic, thereby assuring the highest building condition from the allocated resources.
18. Refer to the Appendix for the proposed list of CCP projects for the 2021/22 and 2022/23.

Safeguarding Implications

19. *There are no safeguarding implications of this proposal.*

Public Health Implications

20. *Capital investment to address poor building condition will reduce the health risk of buildings for staff and visitors. A notable risk is This should also be taken as an opportunity to improve the sustainability of buildings so encouraging active travel (for example cycle parking) and improvements such as insulation.*

Equalities Impact of the Proposal

21. *There are no direct equalities impacts of this proposal so an equalities impact assessment is not relevant. 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, including ensuring the accessibility of Council buildings to staff, visitors and the public, and that the Corporate Condition Programme includes improvement works that increases accessibility to meet the requirements of the Act where previously it may not have.*

Environmental and Climate Change Considerations

22. The operational use of Council corporate buildings accounted for approximately 49% of Scope 1 and 2 carbon emissions in 2019/20. The level of emissions from a building is dependent on its performance requirements,

its size and the selection of the technologies used. Effective routine preventative maintenance can reduce emissions by addressing related issues, including in respect of fabric degradation.

23. The Corporate Condition Programme (CCP) provides for the timely replacement of building elements at the end of their design lifespan. It also provides an opportunity, in combination with Salix (interest-free financing scheme for funding energy efficiency measures) and the Public Sector Decarbonisation Scheme (PSDS; a grant scheme to fund heat decarbonisation measures) to make viable schemes that improve the environmental performance of our buildings that would otherwise not proceed.

Risks that may arise if the proposed decision and related work is not taken

24. The Corporate Condition Programme helps ensure operational continuity, prevent major failure of buildings and reduce the total maintenance costs over time;
25. 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 and/or imprisonment;
26. Under-investment in capital condition works would not reduce the level of carbon emissions produced by buildings.
27. We would advise that regular review of the risk and issues assessment is planned by service, to track any developing issues or risks.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

28. There is a risk of financial overrun on individual proposed schemes where the extent of the replacement works could not be fully surveyed by condition surveys; this risk is considered very low and will be fully mitigated by using the contingency.

Financial Implications

29. The £5.459m CCP allocations will comprise the full value of the capital works inclusive of professional and technical costs that are incremental to the capital works.
30. The £5.459m allocation is part of the 10-year capital programme included within the Capital Strategy approved by Cabinet in February 2021. The funding will be wholly funded from borrowing.

	2021/22	2022/23
Corporate Condition Programme	£2,650,000	£2,809,000

Legal Implications

31. 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.
32. 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 legal 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 land for the purposes of performing its functions and s111 of the Local Government Act 1972 permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The funding of a Capital Condition Programme would be within its powers.
33. The council can exercise the general power of competence under section 1(1) of the Localism Act 2011 ('the LA 2011') to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. This general power includes the power to enter into contracts. All contracts entered into must be set up in accordance with the council's constitution, the council's contract procedure rules and where relevant in accordance with the Public Contracts Regulations 2015 (as amended).
34. The Council must ensure that any contracts for the repairs and maintenance are in a form approved by the Director of Law and Governance.

Workforce Implications

35. There are no workforce implications of this proposal.

Property Implications

36. Failure to undertake appropriate capital condition works can lead to loss of property value, reduced environmental performance, a building becoming unfit for purpose, Service operations being disrupted and ultimate closure on suitability or health and safety grounds.
37. The CCP reflects the objectives of the Strategic Asset Management Plan (SAMP) as the properties within the programme have been prioritised on condition survey information as well as taking into account contractual lease obligations and also corporate proposals for their future redevelopment, adaption or disposal. In that regard, no works are envisaged to be superseded or made redundant by property activity in the short to medium term.
38. Capital works to some properties (e.g. some parks properties) are not shown within the CCP programme as these works will be funded via alternative

agreed funding streams, such as Build the Change or the Corporate Property Improvement Programme (CPIP).

Other Implications

39. None.

Options Considered

40. Do nothing – this is not a sustainable option because building condition will continue to degrade and will become unsuitable or unfit for purpose and potentially unsafe to operate as well as reducing in value.

41. Do less – this is not a sustainable option as the building condition survey data shows the estimated total backlog for capital condition works on corporate properties had risen to £18m and needs to be halted and slowly reversed.

Conclusions

42. The proposals are necessary to maintain the condition of the Council's buildings, to ensure the fitness for purpose and operational continuity of the Council's buildings, to minimise the total lifecycle cost of the Council's buildings and to ensure staff productivity, engagement and wellbeing.

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Date of report 30th June 2021

Appendices One – confidential table of CCP works

Background Papers

The following documents have been relied on in the preparation of this report:

