

Report to the Cabinet

Meeting to be held on Thursday, 11 April 2019

Report of the Head of Service - Asset Management

Part I

Electoral Division affected:
(All Divisions);

Works to Operational Premises - Condition Led Programme

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

This report sets out the proposals for the allocation of capital funding to address a phase of high priority building condition repairs and statutory programmes of remedial works to the operational premises portfolio.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to approve the proposed list of maintenance and statutory compliance schemes across operational premises, detailed at Appendix 'A', totalling £9.88m.

Background and Advice

This is the first phase of a capital condition programme for operational buildings. The aim of the programme is to begin to address essential repair and maintenance works, fire risk assessment and statutory compliance remedial works across the operational buildings portfolio. It is anticipated that there will be further programmes of work as the cycle of condition surveys and statutory compliance testing continues across the portfolio identifying further priorities.

The works have been identified through undertaking condition surveys and compliance testing regimes to develop a schedule of Priority 1 and Priority 2 repairs plus statutory compliance remedial works. These are set out at Appendix 'A'.

The programme has been formulated using the most current information available, but from experience on earlier programmes, and the complexities of assessing the condition of existing buildings, there is a risk that further issues may become apparent across other areas of the portfolio. With this in mind, a significant contingency is recommended, which will be available to capture any additional works or justifiable projects which come to light during the delivery of already identified works and which meet the criteria. These will be added to the programme as per the financial regulations.

Priority 1 repairs are defined as:

Priority 1. *Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation.*

Priority 2 repairs are defined as:

Priority 2. *Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation.*

Fire Risk Assessment works:

Fire Risk Assessments are currently being undertaken across the operational portfolio. Actions from these risk assessments will be prioritised and evaluated before a technical solution is identified. In some cases work will be required to address the risk, in other cases the risk can be managed out through a non-technical solution. It is not expected that all of the identified remedial works will be addressed in this programme. Premises deemed to be at the highest risk will be identified and prioritised with future reports requesting further funding to continue to address the highest need on a phased approach.

Statutory Compliance:

Legionella Risk Assessments, electrical installation, lift installation and gas safety testing are carried out across the operational portfolio to ensure the buildings remain safe and the authority meets its requirements through statutory compliance. The testing and inspection regime produces remedial actions that are then prioritised and technical solutions identified to ensure buildings remain safe and compliant. Due to the differing testing frequency for each statutory element it is not expected that all of the identified remedial works will be addressed in this programme. Premises deemed to be at the highest risk will be identified and prioritised with future reports requesting further funding to continue to address the highest need on a phased approach.

It will not be possible to address all high priority issues in all buildings. Any remaining Priority 1 issues and any Priority 2 issues will be reviewed, prioritised and considered for any future condition led programmes. In addition there is also an allowance in the programme to undertake further investigations and specialist surveys on buildings where there is deemed to be a potential risk due to the age, type of construction or condition. This will assist in managing risk and determining priorities in future programmes of work. As part of the strategic asset management process each

project will be reviewed prior to commencement to ensure that the need for the work remains.

All schemes will be delivered through Lancashire County Council's Design and Construction Service. The delivery timescales will be dependent on several factors linked to the practicalities of undertaking the work in occupied premises which would have an impact on service delivery. It is anticipated therefore that the programme will be delivered when possible and this will likely be over the next two financial years. It is anticipated that 50% of the proposed programme will be delivered in 2019/20 with the remainder of the programme being delivered the following financial year.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

If the recommended work is not undertaken, the risk would be managed by further regular reactive maintenance to 'patch' the problems. However, in some cases, further deterioration of the building fabric or discontinued components would result in closure of parts of, or the whole premises, until significant emergency repairs could be undertaken. Due to the nature of building maintenance works, the full extent of repairs required may not be apparent until the building infrastructure is exposed, which may result in the need to undertake additional work and therefore increased project costs.

Statutory remedial works are required to prevent possible breaches in legislation and address health and safety issues. In some cases this can be managed through more frequent testing and monitoring but this approach would only delay and not address the identified issues. Furthermore, there may also be genuine severe condition need projects that come to light, and it is recommended therefore that a risk contingency is included to be approved and managed by the Asset Management Service. This contingency figure is included in the overall programme value.

Financial

The approval of these schemes is requested as part of a programme of works within the property element of the Capital Programme. The proposed programme is set out at Appendix 'A' totalling £9.88m.

There is a balance of approved borrowing within Property Portfolio of £9.36m currently in the Property Review Programme. It is proposed that these proposals are funded using this approved borrowing and they are managed within the work to operational premises programme of the Property Portfolio. This means that the funding needs to transfer between the programmes.

The £3m additional borrowing approved in February 2019 to be added to the property section of the capital programme may not be sufficient for the scope of works required to the remainder of the county's property assets in the near future. Additional requests for a specific funding programme will form part of the asset management strategy, currently being developed, which will be presented to future cabinet and full council meetings for approval. These will document any future capital investments that are needed to maintain the fabric of all our assets, including building stock, to achieve the outcomes of the corporate plan and will set a strategy of funded investment over the longer term. There may be short term requests to meet high priority suitability and condition led demand while the long term plan is being developed. .

Procurement

The selection of contractors to undertake the capital works will be carried out in full compliance with the Public Contracts Regulations 2015, either through the use of an established framework such as the rotational list for building works, the Partnering Framework, or through undertaking a compliant procurement exercise where appropriate.

The proposed programme is set out at Appendix 'A' and is deemed to be **Part II** for the reasons set out below.

List of Background Papers

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate

Appendix 'A' contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.