

Date of meeting:	23 rd February 2018
SIB Lead Officer:	
Paper author:	Nahim Mehmood-Khan
Paper title:	Backlog Maintenance Priority 1 and 2 (Urgent and Essential Works)
Information (B): <input checked="" type="checkbox"/>	Discussion (A): <input checked="" type="checkbox"/>

STRATEGIC INVESTMENT BOARD (SIB)

Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If relevant, Access to Information Procedure Rule number: Appendix number:		

Purpose:

The purpose of this report is to provide an update on developing a programme of works to deliver an additional £5m of essential and urgent backlog maintenance works identified through 103 stock condition surveys of assets within the CPM portfolio. This report does not include the provision for any heritage assets as these have been submitted in a separate report to SIB. This report follows on from two earlier reports presented to SIB:

- CPM Service – Property and Contracts (21-07-17)
- CPM – Backlog Maintenance Programme (18-10-17)

The report will cover the following areas:

1. Budgets and resourcing
2. Future requirements and forward planning

Key issues or outcomes:

1. Budgets and Resourcing

Following on from the report submitted on 18th October 2017, SIB offered 'in principle' support to Option Two: **£10m programme spread over Year 1 and Year 2 to address all P1 & P2 works followed by £6m in years 3,4 and 5**

Officers within CPM have been working closely with the capital finance team and provided requisite details to further develop this planned capital programme. The works have been split into 4 main categories:

- Sites where income is generated (sports centres etc.)
- Sites where income is received through a lease
- Office locations
- Sites which provide public services

Following Executive Board (Feb 2018) capital finance team have confirmed availability of additional £5m cash injection to the CPM 18/19 capital budget which will cover year one of the proposed 5 year programme. The CPM team have been advised that further requests will need to be made to Executive board for the additional investment to cover the remaining four years of the programme. In addition it has been confirmed that the £1.5m capital budget (parent pot) to cover the cost of emergency repairs and lifecycle replacements such as failed equipment, statutory / regulatory maintenance for legionella, asbestos and electrical works will be maintained. It is planned that the £5m will be delivered through the ISP Leeds Building Services (LBS). LBS will primarily utilise direct labour and outsource specialist works through their sub-contractor frameworks, it is anticipated that this will generate a rate of return circa 20% (£1m) to the corporate centre.

The Director of Resources and Housing approved the following recruitment to support delivery of the additional £5m programme:

- 2 additional temporary surveyors in the CPM team to enable on site planning activity (inspections, specifications, estimations) to support delivery of the project.

- 98 staff (65 operatives / 8 supervisors / 25 office staff) within LBS.

The approach undertaken with the programme is based on addressing all P1's (Immediate) identified from the stock condition surveys and start work on the P2's (Essential) considering essential works and the type of building prioritising income generating and public sites. Based on the sites identified as part of developing the programme the type of works that are expected will be split as shown below:

Estimated Costs By Job Type	Total
Asbestos	£41,800
Building Fabric & Grounds	£731,946
DDA Upgrades	£284,781
Electrical	£778,838
Health and Safety	£508,664
Mechanical	£1,226,218
General Works	£153,825
Wind and Weathertight	£1,156,258
Grand Total	£4,882,330

2. Future requirements and forward planning

At this stage there is no additional allocated budget for any future years. If money is not allocated to future years then we will continue to take high cost repairs which could be avoided by the timely and appropriate capital investment.

It is also important to note that to allow for the works to be completed in a cost effective and timely manner that decision making needs to take place at an early stage to allow for CPM and LBS to resource accordingly as the risk of this not happening may lead to budget not being spent within the financial year, or quality of work being compromised. Since January 2018 CPM have undertaken inspections of 26 (of 103 sites) enabling works reported to be verified and for full specifications to be developed. This had demonstrated the need for early confirmation of budgets in order to properly plan and enable successful delivery of the works programme.

As part of the previous report submitted the additional money would be spent in accordance with below –

- **2019/20** – Address all remaining P2's
- **2020/21** – Begin work on P3's considering essential works and the type of building prioritising income generating and public sites.
- **2021/22** – Continue work on P3's considering essential works and the type of building prioritising income generating and public sites.
- **2022/23** - Continue work on P3's considering essential works and the type of building prioritising income generating and public sites.

Actions or recommendations:

- For SIB to note the contents of this report including forward planning for future years.
- For CPM to bring in update report on delivery of the programme.