

## London Borough of Hammersmith & Fulham

**Report to:** Strategic Director for the Economy

**Date:** 06/06/2021

**Subject:** CORPORATE PLANNED MAINTENANCE PROGRAMME (CPMP)  
2021/2022

**Report author:** Chris Nolan, Head of capital projects

**Responsible Director:** David McNulty, Assistant director Operations

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### SUMMARY

The purpose of this report is to provide proposals for the delivery and funding of the 2021/2022 Corporate Planned Maintenance Programme (CPMP) for the Council's corporate property portfolio.

Since May 2019 the Council's planned maintenance provision has been delivered through in-house provision, including capital projects, following the in-sourcing from Amey. The client-side function will consider supplementing the works by calling off public frameworks.

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### RECOMMENDATIONS

1. To note that appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. That the Strategic Director for the Economy, in consultation with the Director of Finance and the Cabinet Member for Finance and Commercial Services, approve the detailed programme for the 2021/22 Corporate Planned Maintenance Programme (CPMP) budget as set out in exempt appendix 1.
3. To note that the 2021/22 CPMP monitoring report be prepared for the Cabinet Member every quarter to track the delivery of projects and show any deviations over or under £25,000 compared to the original key decision report for the year. Projects with variations under £25,000 are to be reported in the summary as a financial adjustment within the report. The overall programme will be reported through the Corporate Quarterly Capital Monitor to Cabinet.
4. To note that the procurement of capital plant and equipment, works, and services contained within the programme detailed in this report will be procured in line with Contract Standing Orders.

## Wards Affected: All

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	The Capital Maintenance Plan preserves the Council's estate as fit for purpose and preserves the investment that the Council has made in it.
Creating a compassionate council	The Capital Maintenance Plan attempts to address Environmental issues for the benefit of residents, staff, and visitors alike.
Doing things with local residents, not to them	The Capital Maintenance Plan has/ will take account of the needs of residents in maintaining the buildings that deliver services directly to them.
Being ruthlessly financially efficient	This report is compiled using recent survey data on the state of the estate and has been developed to address the needs of Statutory Compliance, risk and the need to ensure that the estate functions with the minimal investment necessary.
Taking pride in H&F	The Capital Maintenance plan attempts to maintain our public buildings in a way that preserves our heritage and place in the community.
Rising to the challenge of the climate and ecological emergency	It will be endeavoured to incorporate the net zero carbon emissions by 2030 as set out by the Council.

## Financial Impact

These are contained within exempt appendix 1.

## Legal Implications

On 25<sup>th</sup> February 2021, full Council approved the four-year General Fund Capital Programme budget at £158.1m for the period 2021/22-2024/25. It also delegated approval of detailed programmes to the relevant SLT Director in consultation with the Director of Finance and relevant Lead Cabinet Member. For the purposes of the Corporate Planned Maintenance Programme, therefore, it is necessary for the Strategic Director for the Economy to approve the Programme in consultation with the Director of Finance and the Cabinet Member for Finance and Commercial Services. This report is consistent with the decision of the full Council.

There are no other direct legal implications in relation to this report. Each procurement within the programme must comply with the Council's Contract Standing Orders and the Public Contracts Regulations 2015.

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**Background Papers Used in Preparing This Report**

None

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**DETAILED ANALYSIS**

**Proposals and Analysis of Options**

1. The Council's Capital Programme includes provision for an annual rolling programme of £2.4m for capital planned maintenance works. Prior to 2019 a sum was also set aside as a contribution to the management of the Amey TFM contract.
2. All works will be subject to scrutiny by Facilities Management (FM) in respect to obtaining best value and only works of an essential nature will be undertaken. Works will be tendered in accordance with Contract Standing Orders for each project.
3. The Assistant Director, Operations has established internal governance to ensure the works will be monitored and tracked incorporating operational changes made, ensuring that the overall budget outlined in the CPMP is not exceeded.
4. The in-house client-side team will manage these projects through verification and scrutiny to yield best results with regards to value for money and expedited service delivery.

5. The Head of Capital Projects has undertaken a review of the CPMP to prioritise the backlogs and realign the maintenance plan. As a result, the format of the CPMP has been adapted to reflect the revised approach to prioritisation. The programme has been split to show the capital expenditure allocated directly to its backlog of cyclical planned maintenance and the residual capital sum to be allocated against a range of projects. Therefore, in this year's programme there is a larger element of funds set aside on non-specified projects to cover contingency items known as "various sites" to accommodate several smaller capital expenditures on plant and equipment replacement once it goes beyond economic repair or fails.
6. It should be noted that the needs of the organisation dictate that some movement of funding around the CPMP may be necessary, especially for the reactive "unplanned" maintenance works and the Core Planned Maintenance Fund. To govern this a Project Board will be set up to scrutinise the business cases for work, urgent needs that emerge and the re-allocation of funds accordingly. Work may also be re-prioritised according to slippage.
7. The budget allocation against each capital scheme is, at this stage, indicative and subject to change as detailed design, consultation, and procurement are carried out, specifically work to caretakers' lodges and Linford Christie which require further scoping and surveying. The overall spend on the programme and forecasted outturns are monitored via the quarterly Capital Programme reports to the Cabinet Member for Finance and Commercial Services and the Capital Programme summary to Cabinet.
8. There are periodic government grants made available for carbon reduction schemes which in the main require match funding. Given the Council's commitment to achieve net zero a provisional sum of £250k is made so applications for such grants can be made.
9. So that we can demonstrate Ruthless Financial Efficiency a broader review of property is required across the Council. This will be to ensure that the liability, rent and capital and revenue funding is correctly apportioned. This is currently underway and will be the subject of future report back to SLT.

### **Reasons for Decision**

10. The 2021/22 Capital Programme approved by Full Council on 25 February 2021 included the approved budget for Corporate Planned Maintenance and delegated approval of the detailed programmes for use of the rolling programmes to the relevant SLT Director in consultation with the Director of Finance and relevant Lead Cabinet Member. This report therefore sets out the programme for Corporate Planned Maintenance for approval in line with that delegation.
11. A Key Decision is required to provide proposals for the funding and delivery of the 2021/22 CPMP programme and to obtain approval, which is a fundamental element of the Council's asset strategy for investing capital investment to reduce the backlog of maintenance to ensure its retained core assets are fit for purpose.

12. Over 2021/2022, the programme will be monitored and tracked, in conjunction with Finance. The Council undertakes asset reviews to understand opportunities for greater utilisation. In addition, recent building surveys undertaken for the majority of the Council's operational portfolio also identifies planned maintenance investment.

### **Equality Implications**

13. There are no negative equality implications for protected groups arising from Cabinet approval of this programme. The works are, in most cases, ensuring the Council meets its statutory obligations.

### **Risk Management Implications**

14. 14. Being Ruthlessly Financially Efficient means that as an organisation we constantly seek assurance on the quality and cost of delivering programmes to meet objectives. To that extent the programme is assured through spend monitoring and forecasted outturns via the quarterly Capital Programme reports to the Cabinet Member for Finance and Commercial Services and the Capital Programme summary to Cabinet. Furthermore, works will be subject to scrutiny by Facilities Management (FM) in respect to obtaining best value and only works of an essential nature will be undertaken. Works will be tendered in accordance with Contract Standing Orders for each project and outcomes delivered will contribute to wider efficiencies through the energy and decarbonation programme, upgrades to plant and equipment and other associated works. The proposals contribute to our insurers requirements to maintain a good programme of maintenance, upkeep and repair to reduce risk.

*Implications verified by: Michael Sloniowski, Risk Manager tel 020 8753 2587.*

### **List of Appendices**

Exempt Appendix 1: CPMP 2021/22 Proposed Programme