


<p><b>Individual Mayoral Decision</b></p> <p>17<sup>th</sup> August 2017</p>	
<p><b>Report of:</b> Ann Sutcliffe; Corporate Director of Place</p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>Capital Investment Programme – Urgent Works to Council Owned Assets</b></p>	

<b>Lead Member</b>	Councillor David Edgar, Cabinet Member for Resources
<b>Originating Officer(s)</b>	Steven Girling; Head of Facilities Management
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Community Plan Theme</b>	One Tower Hamlets

### **Executive Summary**

The purpose of this report is to seek approval to undertake urgent capital works to two libraries owned by the Council.

This report sets out the background to the issues and seeks Mayoral approval to incur the capital expenditure necessary to bring the assets up to a good basic standard of functionality.

It should be noted that a further set of projects will be brought to Cabinet shortly which will seek approval for capital funding for essential works to other Council properties.

### **Recommendations:**

The Mayor is recommended to:

1. Adopt capital estimates totalling £745,000 to enable urgent works to be undertaken to Bancroft and Bethnal Green libraries and include the projects within the Council's capital programme.
2. Authorise the Corporate Director of Place to proceed with the delivery of this programme of work.
3. Note that a report will be submitted to Cabinet in the autumn seeking approval for a programme of essential works to other assets managed as part of the Council's Corporate Landlord model.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The decision is being sought to allow the Council to keep its key buildings open and serviceable and to ensure that it remains compliant with building regulations.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The Council could decide not to carry out the proposed works but this would lead to a loss of Council buildings and to deterioration and further subsequent damage to those buildings.

## **3. DETAILS OF REPORT**

- 3.1 The Council has undertaken a detailed analysis of the corporate landlord estate. The resulting report reflects analysis of the 230 buildings which comprise that estate and has considered the lifecycle of building, mechanical and electrical plant and equipment as benchmarked by the Chartered Institute of Building Service Engineers [CIBSE]. The condition survey reports for the building fabric have also been analysed, and these documents along with first-hand knowledge of the buildings have shown where roofing and windows have actually failed to provide weather proofing for specific sites.
- 3.2 Using these sets of information has enabled the Council to look at its portfolio of assets taking a risk based approach. The items identified in the proposed programme of work are all items which have already failed and require replacement; or in which the building asset has exceeded the expected lifecycle, and would be expected to fail imminently. A report will be submitted to Cabinet in the autumn seeking approval for the full works programme, however in advance of this, there are two libraries where urgent works are required - Bancroft, and Bethnal Green – as summarised in the table below.

<b>Building</b>	<b>Asset to be replaced</b>	<b>Lifecycle expiry</b>	<b>Anticipated cost (£,000)</b>
Bancroft Library	Boiler & Controls	35 years old - Expired	145
Bethnal Green Library	Weatherproofing works. Required to make site water tight	60 years old - Expired	600
<b>Total</b>			<b>745</b>

- 3.3 The specific work required at each library is outlined below. The justification for the work in each site is as follows. Bancroft library heating has failed completely so we would lose the ability to occupy and use this facility without immediate action. The building is used as a library service and as a local history archive; it is intended to expand the use of the building to include the generation of a lettings income. Bethnal green library will not be able to function as rainwater continues to destroy the building fabric and the fixtures fittings and equipment contained with the building. It is used now as a library facility and it is intended for the use of the building to be expanded to include WorkPath usage and to offer the use of the building through lettings for public events. It is anticipated that this will provide a growing revenue stream for the council. The facilities team are currently recruiting for an events, hospitality and commercial manager to lead the development of the lettings business.

Specific works:

Bancroft Library:

Replacement of boilers, pumps, pressurisation unit, control panel including trend controls, pipework and insulation - £92,241.

Circuit pumps and 3 port valves - £7,400.

Asbestos survey - £400

Asbestos removal - £5,000

Boiler room ventilation - £25,000

Plate heat exchanger - £15,000

**Total - £145,000**

Bethnal Green Library:

Repairs to the main pitched roof - £185,600.

Scaffolding costs - £38,500.

Repairs to glazed roof - £168,400.

Repairs to windows - £97,000.

Painting of windows - £45,500.

Upgrading of fire doors - £25,000.

Associated building works - £40,000.

**Total - £600,000.**

- 3.4 As the various buildings within the Council's portfolio have been assessed, costs for repair and replacement have been gathered at the same time; this will enable in future years a more comprehensive and detailed plan for a forward maintenance register which will show in each year where assets have reached the end of their lifecycle and planned replacement work could be scheduled. It is anticipated that the benefits of this system will be a reduction in emergency work and consequent reduction in the loss of service for Council buildings. There should also be a corresponding reduction in the revenue costs from the bulk repairs and maintenance budget; as buildings become more reliable and efficient.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report seeks the approval of the Mayor for the inclusion within the Council's capital programme of urgent works at Bancroft and Bethnal Green libraries and for the adoption of capital estimates totalling £745,000. The justification for the urgent need for these works is set out in paragraph 3.3.
- 4.2 Although these proposed works were are not included within the capital programme that was approved by Council on 22nd February 2017, with a total value of less than £1 million, the Mayor has delegated authority to allocate resources to undertake these works.
- 4.3 It is intended that a further report detailing other essential works will be submitted for the consideration of the Mayor in Cabinet. If approved, it is likely that this will require ratification by full Council because it will exceed the Mayor's delegated powers. In future it is essential that works to buildings that are managed as part of the Council's Corporate Landlord function are incorporated into the Council's budget process and considered in conjunction with other Council priorities in accordance with the Council's Capital and Medium Term Financial Strategies.
- 4.4 Undertaking these urgent capital renewal works should lead to reductions in revenue costs through a reduced future reliance on responsive repairs and maintenance works.

#### **5. LEGAL COMMENTS**

- 5.1 This report seeks the approval of the Mayor for the inclusion within the Council's capital programme of urgent works at Bancroft and Bethnal Green libraries and for the adoption of capital estimates totalling £745,000. The capital programme is a document that sets out the Council's capital expenditure plans for the current year and subsequent two years.
- 5.2 On 22<sup>nd</sup> February 2017 Council agreed the General Fund Capital and Revenue Budgets and Medium Term Financial Plan 2017-20. This is in accordance with the Council's Budget and Policy Framework. Once the Budget has been agreed then it is the responsibility of the Mayor, the Executive and officers to implement it.
- 5.3 Pursuant to Rule 3.1 of the Budget and Policy Framework, subject to the provisions of Rule 5 (virement) the Mayor, Executive, Committees of the Executive and any officers or joint arrangements may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by Council, then that decision may only be taken by Council.
- 5.4 The Mayor can therefore revise or adopt Capital Estimates provided that this is not contrary to the Budget. If it is contrary to the Budget then in accordance

with the Council's Budget and Policy Framework the matter should be referred to Council.

5.5 The Council has a duty under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (the best value duty"). Further the Council is obliged by section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is consistent with sound financial management, the Council's Best Value Duty and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and revise capital estimates where there are changes in circumstances.

5.6 The Equality Act 2010 requires the Council in the exercise of its functions to have due regard to the need to avoid discrimination and other unlawful conduct under the Act, the need to promote equality of opportunity and the need to foster good relations between people who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required in order to enable the Council properly discharge this duty. More information about the discharge of this duty is set out in the One Tower Hamlets Considerations section below.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

6.1 There are no immediate One Tower Hamlets considerations arising from this report.

## **7. BEST VALUE (BV) IMPLICATIONS**

7.1 The Council's Facilities Management team have obtained detailed costs for all of the work identified in this programme. They have determined that the proposed costs represent value for money. These works would be undertaken under existing already procured contracts which are within scope and for which there is sufficient financial headroom.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1 There are no immediate sustainability implications arising from this report.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 Not carrying out these works swiftly means the Council continues to have buildings in which key plant and equipment have failed and in which the building fabric such as roofs and windows have failed. This needs to be regularised as soon as possible through the delivery of these works.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 There are no immediate crime and disorder implications arising from this report.

## **11. SAFEGUARDING IMPLICATIONS**

11.1 There are no immediate safeguarding implications arising from this report.

## **12. CORPORATE LEADERSHIP TEAM**

12.1 The corporate leadership team have reviewed this report and fully support the recommendations.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None.

#### **Appendices**

- None.

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None.

#### **Officer contact details for documents:**

N/A