

**To:** City Executive Board

**Date:** 23<sup>rd</sup> April 2012

**Report of:** Head of Corporate Assets

**Title of Report:** COUNCIL WIDE PROPERTY IMPROVEMENTS 2012/13

### **Summary and Recommendations**

**Purpose of report:** To inform Members of the background and current position with regard to Council wide property improvements and to seek project approval to the proposals for capital spending on property repairs and maintenance for 2012/13, and seek agreement to arrangements for in-year amendments to the agreed programme.

**Key decision?** Yes

**Executive Lead Member:** Councillor Ed Turner ~ Finance, Corporate Assets and Strategic Planning  
Councillor Joe McManners ~ Housing Needs

**Report approved by:** David Edwards, Executive Director, Regeneration and Housing

**Finance:** Nigel Kennedy  
**Legal:** Lindsay Cane  
This report has additionally been approved by the Head of Leisure, the Head of Direct Services, the Head of Housing and Communities and the Executive Director, City Services.

**Policy Framework:** Meeting Housing Need  
Strong and Active Communities  
An Efficient and Effective Council

### **Recommendation(s):**

The City Executive Board is RECOMMENDED to:

1. Note the report and the proposals for capital spending on General Fund and Housing property improvements for 2012/13.
2. Grant project approval to the capital programme spend on corporate priorities as outlined in the report for General Fund and Housing properties, subject to the Head of Finance confirming that funding is available for these proposals.
3. To approve the methodology proposed for in-year amendments to the agreed programme as outlined in the report, whereby the Head of Corporate Assets, following consultation with other Heads of Service as appropriate to the property concerned, will then consult with the Head of Finance and the Executive Member for Finance, Corporate Assets and Strategic Planning or the Executive Member for Housing Needs (as appropriate to the properties concerned and as necessary and appropriate to meet the requirements of the Council's Constitution and Financial Regulations) in order to seek approval to the amendments prior to implementation. Amendments will then be incorporated into the revised capital programme reported to City Executive Board as part of the regular quarterly financial monitoring report.
4. To note the paragraphs relating to the replacement of the comfort cooling system at Ramsay House (paragraphs 10 and 11) and support the principle of this work being funded partly from the budget now no longer required for 1, Floyds Row (vired to this project under delegated authority by the Head of Finance) and partly from the capital programme as shown in Appendix 3.

### Appendices

- Appendix 1 Report Risk Register
- Appendix 2 HRA 2012/2013 Capital Budgets
- Appendix 3 2012/2013 Planned maintenance draft programme spreadsheet

### Background

1. Over the last 2-3 years, the Council has introduced strengthened arrangements for the strategic management of its assets. The Head of Corporate Assets now has the lead role for all strategic asset management issues, the Corporate Assets Management Board, chaired by the Director of Finance and Efficiency, meets to oversee the implementation of the Asset Management Plan, management of the Capital Programme and to ensure an integrated council wide

approach. The Council 2012 restructuring has brought together Corporate Assets and related staff from the former Oxford City Homes so that all strategic and major projects relating to the housing stock are now within the responsibility of Corporate Assets. The Council's strengthened approach to corporate asset management (as it was at the time of their inspection) was welcomed by the Audit Commission in their report which was received by Audit and Governance Committee on 27<sup>th</sup> April 2010.

### Corporate (General Fund) Properties

2. Members will recall that, following much work to establish the level of maintenance backlog existing on General Fund properties, budgetary provision was made in the capital programme, beginning in 2011/12 to address this issue. A total of £7M has been allocated, originally over 4 years but now re-profiled over 6 years to better match anticipated capital availability. The current profile of budgetary provision is therefore:~

2011~12	£1.0M
2012~13	£2.0M
2013~14	£1.4M
2014~15	£1.4M
2015~16	£0.6M
2016~17	<u>£0.6M</u>
	<u>£7.0m</u>

With regard to the budget allocation for 2011~12, this budget has been spent / committed against the projects identified in year 1 as shown on Appendix 3. The nature of some of this work (and because of the need for statutory approvals etc.) will mean that some projects will span into 2012/13 for completion. Examples of this are the upgrading of the exterior at Risinghurst Community Centre and the new signage proposals for the Covered Market.

3. In addition to this funding other projects have and are being brought forward to improve the property stock and reduce maintenance backlog. A summary of these are:~

- a) Administrative Office Properties

The Council's Asset Management Plan identified the opportunity for a significant rationalisation of the administrative office property. An options appraisal ruled out wholesale relocation away from the city centre and detailed proposals for rationalising the city centre administrative offices under the Offices for the Future programme were confirmed. This project, to refurbish the St Aldates Chambers offices, is now nearing completion. This will significantly reduce the council's office footprint (by circa 40%) and thereby reduce running costs, carbon emissions and significantly reduce the maintenance backlog.

- b) **Town Hall**  
The repairs and maintenance proposals set out herein have assisted and enabled the proposals for the upgrading of the Town Hall. This work is continuing in 2012~13, but will, with assistance from external funding bodies, enable the relocation of the Museum of Oxford and associated retail outlet into the main Town Hall and the proposals for the refurbishment of the Town Hall café.
- c) **Community Centres**  
Opportunities have been identified at the site of the former Cowley Community Centre and Northway Community Centre to work in partnership with others to redevelop these sites to provide affordable housing and replace the community centres with new facilities better suited to current requirements. This in turn will impact positively on the level of maintenance backlog. Similarly, working with the County Council will facilitate the replacement of Wood Farm Community Centre within the redeveloped school. Other opportunities may be pursued in the future.
- d) **Parks and Pavilions**  
Opportunities have been identified to develop new Park pavilions in liaison with sports clubs and thereby reduce the maintenance backlog liability. Examples of this are the recently completed lease of the Banbury Road North facility to Oxford Hawks Hockey club and North Oxford tennis club, and the development of new football and netball facilities at Court Place Farm. This, however, leaves several pavilions in very poor condition with limited scope for external funding or clubs being able to take on the management of the facility. Proposals to address this work are currently being progressed with leisure colleagues and reports will be brought forward in the coming months seeking approval to a programme of improvements to Parks Pavilions, funded partly from this programme, partly from £1.12M from the capital programme and external funding bids being made to add to the overall budget.
- e) **Leisure Properties**  
Following on from the Fundamental Review of Leisure Services, a significant investment programme was agreed to bring leisure facilities up to a good standard as part of the partnership arrangements agreed with Fusion Lifestyle. A total of circa £2.18M (over the three year period 2009/10 to 2011/12) has been committed to carry out significant works at leisure centres to reduce the maintenance backlog on these properties. Examples of this are the replacement ice plant, replacement air conditioning plant, replacement pumps and boilers, upgrading electrical installations and alarm systems, building fabric repairs, roofing works etc. We in the process of finalizing a programme of further improvements to the leisure centres to both complete the full range covered in our original plans and additional enhancements to the centres. Any such improvements will be carefully phased in

with the repairs and maintenance through our joint planning arrangements to remove any duplication and take opportunities to minimise closures and costs.

- f) Members will also be aware that the City Council invested a further £2.21m in new projects to develop fitness suites and other improvements at Barton Pool, Ferry Sports Centre and Blackbird Leys Leisure Centre and is currently working with Fusion on Phase 2 of this improvement programme which will see a further £700K invested in Barton and Ferry Leisure Centres and the Ice Rink to further improve these facilities.
- g) In addition to the improvement of these existing centres, the City Council has been developing plans for a new competition standard swimming pool adjacent to Blackbird Leys Leisure Centre and it is hoped that the construction of this new facility can begin soon.
- h) Investment Properties  
Funding is allocated to the Council's various investment properties. This is to meet the Council's contractual responsibility to repair, to ensure the protection of asset values, to achieve shorter vacant periods and higher rentals upon reletting, and to maintain and enhance the Council's reputation as a good neighbour and custodian of heritage properties. In the past year (2011/12) significant sums have been invested in this area in improvement to the Covered Market and elsewhere, most noticeably the repair and refurbishment of Blackwell's Music Shop in Broad Street.

#### Maintenance Backlog Prioritisation

- 4. The initial programme of refurbishment and repair to the General Fund properties which was approved for the 2011~12 programme and covered a four year period has now been re-profiled over six years as indicated above and is attached as Appendix 1. However, it was recognised that this programme was based on dated information and so, as part of the first year of the programme external consultants were commissioned to re-survey all of our properties to identify all current defects and issues for both building fabric and services together with their recommendation of priority and cost of repair. The results of these surveys are just becoming available and will result in some re-casting of the programme over the coming months. It has been clear that, notwithstanding the results from these recent surveys, there are works to properties which are necessary and we propose to press ahead with these while the remainder of the programme is revised.
- 5. When the programme for refurbishment and repair was originally being prepared, in order to provide more rigour into the prioritisation of the maintenance backlog works, the building and schemes contained

within the maintenance backlog programme were scored against a range of criteria including the significance of the building and relevance or importance of the proposed project. The criteria used have been:

- (a) For the building its significance as a
    - Commercial (investment) property
    - Civic Property
    - Operational Property
    - Community Property, and
    - Listed Building
  - (b) For the project relevance or importance the criteria used are
    - Legal, Statutory or Contractual
    - Health and Safety
    - Operational Property
    - Overall project significance or importance.
  - (c). The scoring system used has been
    - 15 points for a critical project/building.
    - 10 points for an essential project/building.
    - 7 for a high importance.
    - 5 for moderate importance.
    - 3 for minimal importance.
6. The scores for the building criteria are added together to give a “building score” and similarly for the project criteria to give the “project score” and these two totals are then multiplied together to give an overall total. The higher the total the more significant and/or urgent is the project. This prioritisation methodology has been used to compile the programme on which the budget for the next five years has been agreed and accords with the approach used by other Local Authorities that were researched as part of the process.
7. In order to maintain this rigour it is proposed that the above prioritization process be maintained when the programme is re-cast, but with the recommendations of the external consultants included as additional “scoring criteria”.
8. All properties on the schedule will also continue to be categorized into one of the following four groups in accordance with the approach set out in the Council’s adopted Asset Management Plan:~

Category	Category description
A ~ CORE	<p>Properties that will be required in the foreseeable future, which meet current and future requirements well and at an acceptable cost.</p> <p>In these properties, over time, the Council will endeavour to:</p> <ul style="list-style-type: none"> <li>➤ Significantly reduce any maintenance backlog (and if possible eradicate it) and</li> <li>➤ Invest in effective planned maintenance and in making improvements.</li> </ul>

B ~ CORE-FLEX	<p>Properties that meet current and future defined requirements but where the costs are likely to be unacceptably high for long term retention. These properties will be retained unless and until a better alternative is available.</p> <p>In these properties, over time, the Council will endeavour to:</p> <ul style="list-style-type: none"> <li>➤ Reduce any maintenance backlog, as appropriate</li> <li>➤ Invest in effective planned maintenance</li> </ul>
C ~ NON-CORE	<p>Properties that do not meet future defined requirements but where costs are acceptable for the short term. These may either be retained or moved to “surplus” category.</p> <p>In these properties, the Council will:</p> <ul style="list-style-type: none"> <li>➤ Maintain at minimum maintenance levels (i.e. H&amp;S / Watertight / Legislative / Contractual requirements)</li> </ul>
D ~ SURPLUS	<p>Properties that will not be required in the future.</p> <p>If these properties are temporarily occupied, the Council will:</p> <ul style="list-style-type: none"> <li>➤ Maintain at minimum levels (i.e. H&amp;S / Watertight / Legislative / Contractual requirements) but only consistent with their expected occupied life</li> </ul> <p>When the properties are vacated, the Council will:</p> <ul style="list-style-type: none"> <li>➤ Keep them secure and undertake minimum work to them to meet legal requirements and to preserve their value, if appropriate.</li> </ul>

### Other Capital Budget Proposals ~ 2012/13

9. In addition to the £2m maintenance backlog funding in the 2012/13, the following funding is also included in this financial year’s proposals and is included here for completeness. These projects are separate from (and additional to) the maintenance backlog programme as they are largely improvement works (rather than repair / upgrading):~

Property	Budget	Project Details
1, Floyds Row	£125K	The re-letting of this property to the existing tenant is proceeding. This budget was included should it be needed to upgrade the property prior to letting it on the open market, but this is not now likely to be required. However, see the paragraph in this report relating to this property and Ramsay House.
Covered Market Sprinkler System Replacement	£150K	The sprinkler system in the Covered Market is an essential part of the fire protection system for this Grade II* listed building. The existing system is now quite old and, while it is still operational and providing fire prevention cover, it has started to suffer an increasing level of failure in terms of leaks which causes damage and disruption to the tenants units and expense in increased maintenance and repair costs. A survey of the system has been carried out which has identified that the system can be repaired and upgraded rather than requiring replacement and it is this work for which this budget is intended. Once

		repaired the system will operate to modern standards and provide coverage over the full market area to accommodate changes to units since the system was originally installed.
Covered Market ~ Improvements to Emergency Lighting	£50K	While the current emergency lighting system in the Covered Market meets the standard required, there are a number of improvements that have been identified that will address areas of poorer lighting levels and directional signage that will aid evacuation of the building in an emergency.
Parks & Cemeteries ~ Masonry walls and Path improvements	£40K in 2012/13; £40K in 2013/14; £40K in 2014/15	Joint bid with Leisure Services This funding is proposed to continue the work started in 2011/12. Around the city parks and cemeteries there are a number of stone walls and paths which, over time, have deteriorated. The most urgent repairs were carried out in 2011/12, but numerous other repairs and improvements are required to ensure that these walls and paths do not fall further into dis-repair and become a health and safety hazard. Examples of this are stone walls at Alexandra Courts Recreation Ground, St Cross Cemetery and Headington Cemetery and paths at Rose Hill and Wolvercote Cemeteries. This programme proposes to address these issues in a phased and prioritized manner.
Town Hall ~ Fire Alarm replacement and upgrading	£100K	Proposals for an improved security system for the Town Hall were included in the budget during 2011/12, but for these to be fully effective they now need to link into the fire alarm system in order that the two systems work together and security locks are released when the fire alarm is activated. The current fire alarm system is now old and cannot be upgraded to accept these linkages and should therefore be replaced to make the most effective use of the systems. On completion the Town Hall system will meet current standards and enable this linkage to the security systems which will then provide a modern and comprehensive security system covering the Town Hall and St Aldates Chambers
Fencing repairs across the City	£150K in 2012/13; £150K in 2013/14; £150K in 2014/15	Joint bid with Leisure Services This funding is proposed to continue the programme of fencing improvements and repairs that was started at Allotments. Little work has been done to other fencing around parks and open spaces in recent years and this is leading to complaints, damage and unauthorised access which this work would mitigate. Sites where this funding will be needed are South Park and the recreation grounds at Titup Hall Drive, Kersington Crescent and adjacent to the John Allen Centre on Between Towns Road.
Town Hall Audio visual equipment	£400K	The existing audio / visual equipment in the main lettable rooms of the Town Hall is now dated and does not meet the quality and flexibility expected by hirers which is impacting adversely on the



		income potential of the buildings. This funding is planned to improve the acoustics in the rooms and introduce modern conferencing and event audio/visual equipment within the constraints of the listed building nature of the Town Hall.
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### 1, Floyds Row and Ramsay House

10. As indicated in the table at paragraph 9 above, a capital bid in relation to 1, Floyds Row was made and approved into the capital programme for £125K to cover the eventuality that this funding would be required for improvements to facilitate the lease renewal or re-letting of this property. However, it has been possible to negotiate this renewal with the existing occupier without the need to invest this money and so this budget is no longer needed for this work (at the present time).
  
11. Members will be aware that, as part of the Offices for the Future programme the Council has located all of it's staff in the Town Hall and the refurbished offices in St Aldates Chambers, thereby releasing Ramsay House as surplus office accommodation. The proposal is to let the property and negotiations are in progress. As part of these negotiations it has become apparent that the prospective tenant is not willing to take on the liability of the existing comfort cooling system in these offices as it is nearing the end of its life and will need to be replaced within the next 3-4 years as the coolant gas used within the plant will become illegal to use after that time. The budget costing for this replacement work is £300,000. In order to enable a letting to be finalised it is proposed that the City Council replaces the comfort cooling system before the tenant takes occupation and in order to finance this work a spend to save bid is being prepared. This can be partly set off against the budget now no longer required for Floyds Row, which can be vired to the Ramsay House project by the Head of Finance under delegated authority with the balance met from the capital programme as shown in the spreadsheet at Appendix 3. It is anticipated that, if approved, we would be in a position to place the contract for these works by early June in order that they are complete at the same time as the lease is completed in late July 2012.

### In Year Amendments to the Programme for General Fund and HRA properties

12. During the first year of the General Fund programme (2011/12), it was necessary to modify the agreed programme of works in order to accommodate changes in priorities, over and underspends identified as projects have been developed and to allow for deferrals of schemes to allow for greater consultation etc. With the information from the new condition surveys of all General Fund properties becoming available in the coming months (as indicated above), it will be necessary to carry

out in year amendments to this years (and future years) programme to realign the work to the new priorities identified. Also, further amendments may be required for similar reasons as identified during 2011/12. It is likely that this could also be the case for the HRA programme.

13. In order to progress these amendments as quickly as possible officers within Corporate Assets will consult and agree these amendments with other Heads of Service as appropriate where these will affect properties in which they have an interest. It is then proposed that the Head of Corporate Assets will consult with the Head of Finance and the appropriate Executive Member (as necessary and appropriate to meet the requirements of the Council's Constitution and Financial Regulations) in order to seek approval to the amendments prior to implementation. These modifications will then be incorporated into the revised capital programme reported to City Executive Board as part of the regular quarterly financial monitoring report.

#### Revenue Budget Proposals for 2012/13

14. With regard to revenue budgets for reactive and planned services maintenance on corporate properties, these are broadly the same as in previous years but with some reductions to reflect saving made as a result of improvements made, for example the Offices for the Future programme. The overall revenue budget for this financial year is circa £500k and, historically, approximately 40% of this budget is required for planned services maintenance (boilers, fire alarms, lifts, emergency lighting etc.) with the remainder to deal with day-to-day / emergency repairs and health and safety issues necessary to keep buildings operational, weatherproof and safe.
15. In the past this budget has not been sufficient to cover the work required and decisions had to be taken to defer less urgent works to prevent overspending the budget with any deferred works adding to the overall maintenance backlog. However, as works from the maintenance backlog schedule are carried out, this situation should change and there will be a shift in emphasis from reactive work to a more planned and structured approach, whereby the available budget will be used to carry out works to maintain the buildings in the improved condition the capital maintenance backlog budgets will have achieved. It is the aim that, going forward, the spending ratio for these budgets should be split 60%:40% planned maintenance to reactive maintenance, as a minimum, with endeavours to improve the planned element further over time.

#### Budgets in other Service Areas

16. As with previous years, work is continuing to integrate property relates revenue and capital works in other service areas into the overall programme of works. It has previously been agreed that for operational business units (such as for park pavilions, public toilets, car

parks etc) it is more practical and efficient for the service unit to be responsible for day to day and emergency repairs, but for all other works there is on-going dialogue between Corporate Assets and the respective business service units for more major works. To this end, these properties are included in the condition surveys being carried out and the identified works can then be incorporated into the revised work programme mentioned elsewhere in this report. Similarly, the work on council wide planned maintenance contracts will continue as these contracts are set up or renewed.

17. As part of the condition survey work it is becoming apparent that there is likely to be significant costs identified for repairs in car parks, particularly the Westgate, Gloucester Green and Barns Road properties. Corporate Assets and Direct Services are working together to identify all of the work required in terms of one-off improvements and annual repairs. Similarly, we are currently carrying out a detailed review of lighting and floodlighting columns around parks and recreation grounds / street spots sites where structural defects have been identified. The work on this is ongoing and as soon as results are available this will be reported to Members, but it should be recognised that further budget bids may be required to address the issues identified.

### Housing Properties

18. Corporate Assets manages related HRA budgets for planned capital and revenue works on behalf of the Head of Housing and Communities. Capital budgets for the next four years are as shown in Appendix 2 attached. A summary of both the Capital and Revenue Planned Maintenance Programmes for 2012/2013 is shown below:-

Description	Capital	Planned Maintenance	Total Spend
Tower Blocks	£1,000,000		£1,000,000
Adaptations for disabled	£900,000	£200,000	£1,100,000
Voids (Direct Services)	£850,000	£1,165,637	£2,015,637
Kitchens (Excl. electrics) (Direct Services)	£1,636,000		£1,636,000
Electrics (Kitchens) (Direct Services)	£595,000		£595,000
Electrics (Rewires) (Direct Services)	£309,000		£309,000
Bathrooms (Direct Services)	£619,000		£619,000
Heating (Boilers) (Direct Services)	£792,000		£792,000
Heating (Carcases) (Direct Services)	£464,000		£464,000
Roofing	£250,000		£250,000
Windows	£300,000		£300,000
Doors	£200,000		£200,000
Communal Areas	£150,000		£150,000
Environmental Improvements	£100,000		£100,000
Garages/Shops	£117,000		£117,000
Capital Contingencies (5%)	£19,000		£19,000
Electrical Upgrades (Direct Services)		£480,703	£480,703
Common Area Surfacing Works		£100,000	£100,000
Fire Regulations		£112,333	£112,333

Asbestos Testing/work		£17,250	£17,250
Fencing/Concrete/Brickwork (Direct Services)		£572,911	£572,911
Service Contracts (Incl. gas servicing undertaken by Direct Services)		£1,738,239	£1,738,239
External Paint & Joinery repair		£367,422	£367,422
Vulnerable Persons Security		£44,522	£44,522
Miscellaneous		£7,596	£7,596
	£8,301,000	£4,806,613	£13,107,613
Dwellings (Day to Day repairs) managed and carried out by Direct Services		£3,788,383	£3,788,383

19. Within the above projects there are four schemes which warrant particular mention:-

Project	Budget	Project Details
Tower Blocks	£1,000,000	Structural repairs and Improvements (External insulation and new windows with one block being undertaken per annum.
Kitchens	£1,636,000	Continuing the work to maintain the Decent Homes standard. It is expected that average costs will reduce over the next few years. Direct Services undertake this work.
Windows	£300,000	Budgets have reduced as the programme of installing double glazed PVCu windows is nearly completed.
Bathrooms	£619,000	A larger proportion of bathrooms will be improved in the future as the Council continues to improve it's housing stock. This budget reflects that. Direct Services undertake this work

With regard to the kitchen and bathroom improvements referred to above, the Housing Revenue Account Business Plan states that repair costs will be reduced during the initial years of the Business Plan with the largest reductions being planned for year three of the programme or works. In general terms this will require efficiencies of around 10% per year, for example reducing kitchen costs from £5,500 per dwelling and bathrooms from £3,200 without reducing the quality or specification.

20. Following the approval of the 2012/13 budget by Council on 20 February 2012, a report will be presented to Members on the proposed repair and improvement works to the tower blocks. These works were first identified when surveys found that structural improvements to the external cladding panels are required. If this work is to be carried out it will be sensible and cost effective to also carry out other improvements such as replacement windows, insulation improvements etc at the same time. The final scope of this work will be influenced by competing priorities, available finance etc. The works will be phased over five years commencing in the 2012/13 financial year with internal communal works beginning in year six.

21. It should be noted that the Council is continuing to ensure that the housing stock is 100% “decent” year on year in accordance with the Government’s criteria, and to ensure compliance, it is proposed to continue to survey between 1000-1500 properties a year. Those tenants who refused access for works, or for a survey, have confirmed in writing that they did not want any works carried out, and, if any works are needed, they will be carried out when the property becomes void.

#### Staffing Implications

22. City Council employed staff will, as far as possible, carry out the design and management of the proposed works. However, it may become necessary to engage external consultants to assist with this work because of other priorities or workload.
23. During 2011~12 a new protocol was developed to clarify the working arrangements between Corporate Assets and Direct Services which enables Direct Services to carry out as much of the work contained in the programme as possible. However, because of the complexity and/or specialist nature of some projects, the need to ensure value for money and following discussion with Direct Services, it is likely that some of the schemes will need to be competitively tendered. Notwithstanding this, discussions have begun with Direct Services on the areas of work contained in the draft General Fund programme (Appendix 3) and the work that they would be interested in is ticked against each item in year 2 (2012/13).
24. In line with Council priorities and working with Procurement colleagues, opportunities to encourage job creation, apprenticeships and training will be investigated and encouraged for all work and projects contained within this programme.

#### Environmental Implications

25. Officers designing and managing these schemes have a good working relationship and work closely with the Carbon Management Team. There will be close liaison over the proposed programme in order to identify and implement any energy saving / carbon reduction / renewable technology measures that can be incorporated into the works. An example of this might be increased insulation when carrying out roof repairs, investigation into on-site energy generation and the use of low carbon technologies etc. In order to ensure that the greatest benefit can be achieved for carbon reduction and energy efficiency, opportunities will be investigated for the use of Salix and other funding sources to support these works. We will be looking to develop appropriate “standards” in respect of our various portfolios.

## Risks

26. Failure to carry out these works may result in one or more of the following:
  - Further deterioration of properties and an increase in the maintenance backlog.
  - Possible failure to meet contractual obligations.
  - An increased risk of Health and Safety failures.
  - An increased risk of building failure and closure.
  - An increased risk of reduction in rental income.
  - A reduction in the asset value.
27. The prioritisation process will identify projects that are among the highest risk in relation to these categories and carrying them out will therefore mitigate this risk as far as possible.
28. A risk assessment has been carried out and is attached at Appendix 1. All risks have been mitigated to an acceptable level.

## Financial Implications

29. Members will be aware that the Capital Programme as approved in February is fully funded but relies on the receipts from sales of assets in some cases. It will therefore be necessary for the Head of Finance to confirm that sufficient funds are in place before any major contracts or orders are placed for the works contained in this programme. This process is monitored monthly at the Corporate Asset Management Group. Should any significant receipt not be achieved at the anticipated level then it may be necessary to review the overall capital programme priorities.

## Legal Implications

30. Work should not be done on property unless the Council has the repairing obligation to do so, either statutory or contractual, and all other work is, in effect, discretionary.
31. Individual contracts are tendered in line with the City Council's constitution and EU Procurement requirements as necessary.

## Equalities

32. Equalities issues relate to the outstanding DDA works proposed within the programme. Failure to carry this work out will mean that these buildings will not be fully compliant and cannot be utilised to their fullest extent.
33. In addition to seeking to encourage job creation, apprenticeships and training as indicated in paragraph 24 above, the Council will also

endeavour to maintain the Council's "Living Wage" policy and this will be used as an important selection criterion in allocating work to external contractors.

### Conclusions and way forward

34. The projects identified in this report are (amongst) the most urgent from the overall maintenance backlog requirements across the broad range of the property groups in the portfolio.
35. In addition to the proposed refurbishment and repair works outlined in this report, Members are asked to note that the prioritised work schedule for the maintenance backlog works will be refreshed as new information is available from their planned condition surveys. This will include all non housing properties.
36. Further work to identify other repairs and maintenance budgets held by service departments will go on in order to fully integrate these into the corporate prioritization process and identify where any savings and efficiencies can be made.

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**List of background papers:** Planned maintenance schedule and programme  
HRA Codeman database reports

**Version number:** 11

Single Member Decision Report Risk Register – Council Wider Property Repair and Maintenance

Risk Score <b>Impact Score:</b> 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic <b>Probability Score:</b> 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain															
No.	Risk Description Link to Corporate Objectives	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P			Q	Q	Q	Q	I	P
1.	Legal challenge for failure to complete DDA works	3	3	Failure to complete DDA improvements	Mitigating Control: Complete DDA works as included in programme Level of Effectiveness: (HML) H	1	1	Action: REDUCE ~Works to programmed for 2012/13 financial year Action Owner: J Bellenger  Mitigating Control: Monthly review of work programme to ensure works are carried out Control Owner: J Bellenger	Outcome required: Works complete to programme with no challenges Milestone Date: 31 <sup>st</sup> March 2013	1	2	3	4		
2	Continued deterioration of buildings leading to building failure, reduction in rental income and reduction in asset value.	2	4	Failure to carry out Repair and Maintenance works	Mitigating Control: Assess all works to identify most urgent / critical works and prioritise these into the work programme Level of Effectiveness: (HML) H	2	2	Action: REDUCE ~ Most critical works to be identified and programmed for the 2012/13 financial year Action Owner: J Bellenger  Mitigating Control: Monthly review of work programme to ensure works are carried out  Control Owner: J Bellenger	Outcome required: Works completed with no failures Milestone Date: 31 <sup>st</sup> March 2013						



## HRA 2012/2013 CAPITAL BUDGETS

	<b>2012/13 £000's</b>
Tower Blocks	1,000
Aids & Adaptations	900
Major Voids	850
Kitchens (Excl. electrics)	1,636
Electrics (Kitchens)	595
Electrics (Rewires)	309
Bathrooms	619
Heating (Boilers)	792
Heating (Carcases)	464
Roofing	250
External Doors	200
Windows	300
Communal	150
Environmental Improvements	100
Garages/Shops	117
Contingency (5%)	19
Fees (7%)	94
<b>TOTAL HRA NEW BIDS</b>	<b>8,395</b>

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