

Delegated Cabinet Member Key Decision Report

Decision Maker and Portfolio area:	Cllr Sean Fielding, Cabinet Member for Economy and Enterprise.
Date of Decision:	22 nd April 2021.
Subject:	Backlog Maintenance Report.
Report Author:	Peter Wood, Head of Strategic Assets, Corporate Landlord & Facilities Management.
Ward (s):	All.

Reason for the decision:

Summary:

The Council has identified that there is circa £40m of backlog maintenance items that exist across the Corporate Estate, which not only includes properties (valued in the region of £0.5b), but also highway assets (i.e. footbridges, bridle paths and retaining wall structures) that are not located on the adopted highway and therefore are identified as corporate assets. Backlog maintenance works are prioritised to maintain the operational use and value of the Council's Corporate Estate and to mitigate risks associated with statutory compliance, health and safety, further consequential damage with associated additional costs and to negate potential legal claims.

Further to the Capital Investment Programme Board (CIPB) meeting held on the 13th February 2020, this report provides an update on previous schemes approved by CIPB and also outlines what the key priorities currently reported across the Council's Corporate Estate will be for the next three years (2021-2024).

These priorities have been identified through

condition assessments, deemed necessary either to maintain the full operational use of buildings, to mitigate legal risks, are of a health and safety issue, or are considered needed to meet statutory legislation requirements.

The implementation of the Backlog Maintenance Programme (BMP) is aimed at responding to priority remedial repairs, identified by condition assessments to the Council's property portfolio.

The remedial works identified, respond to priority reactive and planned maintenance matters, which have been identified as high priorities (priority 1) for repair or replacement, to improve and maintain the operational use of buildings.

Implementing the BMP is a recognised cost effective measure of dealing with outstanding backlog maintenance issues, which if deferred or left will ultimately result in future increased costs, possible consequential damage and liabilities to the property estate. The implementation of the BMP also reduces the Council's risks in terms of loss of service and business continuity.

February 2020 CIPB Approved Programme

The priority schemes approved by CIPB in February 2020 (as detailed below) have progressed to varying RIBA Work Stages (0-7), in the main due to design complexities, programme constraints and as a consequence of the impact of the Covid-19 Pandemic.

The following Table provides the current financial position for the in-year schemes and the amount of the financial slippage that has been transferred into 2021 financial year because of scheme delay and the impact of Covid-19.

Narrative

	Budget 2020/21	Budget 2021/22
Disposal Programme	134,835	0
Phase 2- Medlock Vale Aqueduct-	0	58,282
Phase 2- Thornley Brook Bridge	10,000	59,837
Greenacres Cemetery	0	22,175
Acorn Centre – Asbestos roof	128,642	0
Civic Centre 2nd Lift	91,045	0
Civic Centre Security Phase 2	28,597	0
Chadderton Town Hall Toilet	0	78,651

Moorhey Street Depot - Re-wire	50,000	380,337
Cemetery Pathways	46,541	68,220
Medlock Vale	48,640	0
Huddersfield Road, Diggle	25,890	34,110
Civic Centre Lifts	20,881	0
Central Records/Meridian Business Centre	89,000	0
Ferney Field, Chadderton	53,464	0
Alexandra Park North Conservatories	267,173	0
Old Mill Lane Grotton - Burghley Close	25,000	255,486
Queen Elizabeth Hall - Electrical upgrade	35,275	200,000
Holyrood Street - Derker	129,858	0
Oldham Sports Centre	53,763	0
Hilton Arcade Roofing	15,320	0
New Barn changing Rooms	50,497	0
Boroughwide - Flood Damage	156,425	568,575
Alexandra Park Electrical Upgrade	20,838	379,162
Moorhey Street Electrical Upgrade (phase 2)	3,812	321,188
Medlock Court Electrical Upgrade	30,619	139,485
Tommyfield Market - Heating Upgrade	21,575	28,425
Ferney Field Community School	33,000	0
LIF- Failsworth war memorial	4,495	21,820
LiF - OBA Mellinium centre heating	42,000	0
Total Corporate	1,617,187	2,615,753

School Schemes	Budget 20/21	Budget 21/22
Stanley Road Electrical/Alarm	20,000	200,000
Early Years Estate Rationalisation	5,076	5,070
South Failsworth Primary - adding	0	110,191
South Failsworth Primary - Heating	104,500	104,500
Saddleworth School - Rewiring	232,572	100,000
Delph Primary School - Safeguarding	35,174	35,000
Community Schools Kitchens	106,817	100,000
Blackshaw Lane Heating	4,778	174,532
Greenfield St Marys Retaining Wall	80,349	80,350
South Failsworth Primary Roofing	55,000	55,000
Alexandra Park Junior School - Heating	100,000	100,000
Diggle Primary School - Classroom	100,000	100,000
Friezland Primary School - Electrical	6,699	243,301
Higher Failsworth Primary - Roofing	100,000	100,000
Glodwick Primary School - Groundworks	85,000	85,000
Mather Street Primary School -Roofing	45,000	45,000
Mills Hill Primary School - Electrical	25,000	275,000
Rushcroft Primary School - Flood	50,000	50,000
Springhead Primary School - Security	20,000	20,000
Kingsland Primary School - Security	20,000	20,000

St Thomas Werneth - Pitch Upgrade	45,000	45,000
The Radclyfee School - Running Track	120,000	120,000
Total Schools	1,360,965	2,167,944

On review of the 2020/21 Backlog Maintenance Programme, there are still a significant number of projects (>50%) that are not yet completed and therefore will slip into the 2021/22 financial year for the reasons explained. The proposed 2021/22 programme will therefore reflect on the capability and capacity of the technical services required to deliver any new projects, whilst also considering the associated risk and priority of repairs required.

The following sections of this report have been developed to identify the 2021 to 2024 backlog maintenance priorities across the Corporate Estate, whilst considering the work streams associated with the Council's Medium Term Property (Accommodation and Disposal) Strategies.

2021/22 Priorities

Corporate Buildings

Alexandra Park.	Phase 2 – Essential timber and restoration repairs to the Conservatory.	£300,000
Alexandra Children's Centre, Shaw and Werneth Life Long Learning Centres and Turf Lane Community Centre.	Removal of asbestos textured coatings and Environmental Cleansing.	£160,000
Diggle Clock Tower.	Essential external works required to stabilise the deterioration to the building.	£750,000
Moorhey Street Depot.	Phase 2 – electrical rewire.	£570,000
George Street and New Barn Changing Rooms.	Phase 2 refurbishment works to the address the vandalised buildings.	£80,000
Holy Trinity Church, Waterhead.	Ground reconciliation works to Closed Graveyard.	£200,000
St John's Church, Werneth.	Priority demolition to mitigate associated health and safety risks.	£100,000
Oldham Community Leisure (Saddleworth Pool)	Priority repairs to the Pool and Plant Room equipment.	£70,000
Oldham Cemeteries.	Essential works required to footpaths and flood affected areas.	£200,000
	Sub Total	£2,430,000

Schools

Diggle Primary School.	Additional funding required to	£60,000
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	support the refurbishment of the modular classrooms.	
Kingsland Primary School.	Removal of asbestos insulated pipework to ceiling voids.	£150,000
Hodge Clough Primary School.	Electrical re-wire.	£300,000
Mills Hill and Whitegate End Primary Schools.	Removal of asbestos coatings and residues from boiler room and ceilings.	£70,000
Mather Street Primary School.	Phase 2 roofing works.	£250,000
Hey with Zion Primary School.	Priority heating replacement works.	£275,000
South Failsworth Jn/Inf School.	Heating system replacement.	£250,000
Springhead Primary School.	New boiler plant and controls.	£145,000
The Castleshaw Centre for Outdoor Education.	Essential health and safety repairs to the climbing frame and out buildings.	£75,000
	Sub Total	£1,575,000
	Overall Total	£4,005,000

2022/23 Priorities

Corporate Buildings		
Borough Wide	Essential repairs to retaining wall structure, bridges, footpaths and flood damaged areas.	£150,000
Chadderton Cemetery	Electrical re-wire	£40,000
Henshaw House	Electrical re-wire	£100,000
Oldham Cemeteries.	Essential works required to footpaths and flood affected areas.	£150,000
	Sub Total	£440,000
Schools		
Christ Church Denshaw Primary School.	Replacement heating system.	£300,000
Delph Primary School.	Electrical re-wire.	£250,000
Glodwick Primary School.	Replacement heating system and PVCu Window renewals.	£320,000
Hodge Clough Primary School.	Essential drainage works.	£50,000
Mather Street Primary School.	Electrical re-wire.	£150,000
Mills Hill Primary School.	Electrical services upgrade.	£350,000
	Sub Total	£1,420,000
	Overall Total	£1,860,000

2023/24 Priorities

Corporate Buildings		
Chadderton Town Hall	Electrical re-wire	£700,000
Chadderton Hall Park	Electrical re-wire	£200,000
Crompton Library.	Electrical re-wire	£150,000
Failsworth Memorial Park	Electrical re-wire	£50,000
Oldham Cemeteries.	Essential works required to footpaths and flood affected areas.	£150,000
Borough Wide	Essential repairs to retaining wall structure, bridges, footpaths and flood damaged areas.	£150,000
Sub Total		£1,400,000
Schools		
Beever Street Primary School	Replacement heating system.	£300,000
Bare Trees Primary School	Electrical re-wire	£150,000
Friezland Primary School	Electrical re-wire	£250,000
Horton Mill Primary School	Electrical re-wire	£300,000
Littlemoor Primary School	Electrical re-wire	£120,000
Sub Total		£1,120,000
Overall Total		£2,520,000

School Funding and Contributions

The school projects will be funded from the future Schools Condition Allowance grant, which is not currently included in the capital programme. The precise amount of the grant is not yet known; however, the 2020/21 grant was circa £1.5m. It is expected that the 2021/22 grant will be notified to the Council by April 2021.

Subject to the aforementioned school schemes being approved by CIPB, the Council will seek a school contribution of 10%, subject to the school's funding capabilities.

Options/Alternatives

Option 1 - Do nothing, which is not considered viable as the schemes identified are considered as priority 1 and 2 backlog maintenance works that are required necessary either to maintain the full operational use of the buildings, to mitigate legal risks, are of a health and safety issue, or are considered needed to meet statutory legislation requirements.

Option 2 – To continue with the 2020/21 and to approve the recommended 2021 to 2024 Backlog Maintenance Programmes as detailed within this report to facilitate addressing these

priority backlog maintenance requirements, to maintain and facilitate improved functional use of our corporate assets, whilst mitigating relevant operational and health and safety risks.

Preferred Option

Option 2 – To approve the 2021 to 2024 Backlog Maintenance Programmes as detailed within Sections 3, 4 and 5 herewith.

Financial Implications

The Capital Strategy 2020/21 to 2024/25 recognised the ongoing need for the Council to be able to fund major repairs to its property portfolio. In order to address the requirements to maintain the corporate/schools' estate, address other capital maintenance and health and safety projects the Council has resources of £3.453m in 2020/21, comprising £1.710m for school projects and £1.743m for corporate projects.

Schemes previously planned in 2020/21 have been slipped into 2021/22, which is due to the Covid pandemic. These totals were £2.168m for Schools projects and £2.616m for Corporate Schemes.

There is £0.349m of 2020/21 currently unallocated Schools funding that can be used to fund the proposed schemes within this report. If the recommendations in this report are implemented, there would be a surplus budget available in 2024/25 of £1.526m left to utilise for additional schools schemes over the 4-year period. Various re profiling of budget throughout the years is needed, as highlighted in the table, but overall, there is currently enough budget in the programme to implement the recommendations in 3/4/5.

The schools funding included in the report has not been confirmed for future years, so estimates supplied by the Capital and Treasury team have been used. These estimates are included in the Capital Strategy for 2021/22 to 2025/26. Please note that the school's allocation is solely for Educational premises and cannot be used to fund corporate schemes.

The normal process is to seek a capital contribution from the individual schools of 10% of the scheme value, but due to current climate, these have not been factored in. If the school is able to contribute towards the scheme, this will

in turn reduce the capital budget required for the scheme.

In order to fully fund the Corporate Schemes highlighted in sections 3, 4 and 5, there is substantial acceleration and additional budget required. Additional budget of £2.085m is needed to implement the schemes disclosed in the tables at sections 3/4/5. The £2.085m is needed in 2021/22.

There is currently a £1m capital allocation for works to the Diggle clocktower held within the overall budget allocation for works associated with the new Saddleworth school, the transfer of this budget to the Corporate Landlord would reduce the request for additional resources to £1.085m. The extra resources could be financed from either Funding for Emerging Priorities held with in the Capital Programme or a reprioritisation of capital resources held as part of the Creating a Better Place Strategy, or a combination of both.

The Capital budget for current and future years, including existing commitments, detailed in this this report along with the resources remaining are presented in the tables overleaf.
(Jamie Kelly)

Corporate Asset Capital Funding

	2020/21 £0	2021/22 £0	2022/23 £0	2023/24 £0	2024/25 £0	OVERALL TOTAL £000
Current Capital Budget	1,743	2,616	1,359	1,500	1,500	8,718
Brought forward (under)/over commitment	174	845		-19	-1,000	0
Carry Forward Surplus into future years	0	0	-419	419	0	0
Additional Budget Required		2,085				2,085
Revised Current Capital Budget	1,917	5,546	940	1,900	500	10,803
Resources Committed:						
- Backlog Maintenance	1,617	2,616	0	0	0	4,233
- Health & Safety	300	500	500	500	500	2,300
Remaining Resources Available	0	2,430	440	1,400	0	4,270
Section 3/4/5 Schemes	0	2,430	440	1,400	0	4,270
(Over)/Under Commitment	0	0	0	0	0	

Required Capital Budget	1,917	5,546	940	1,900	500	10,803
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Additional budget required if recommendations are implemented in this this report

Education Funding - Schools

	2020/21 £0	2021/22 £0	2022/23 £0	2023/24 £0	2024/25 £0	OVERALL TOTAL £000
Current Capital Budget	1,710	3,819	1,252	1,213	1,176	9,170
Brought forward (under)/over commitment	0	349	425	257	350	1,381
Carry Forward Surplus into future years	-349	-425	-257	-350	0	-1381
Additional Budget Required	0	0	0	0	0	0
Revised Current Capital Budget	1,361	3,743	1,420	1,120	1,526	9,170
Resources Committed:						
- Backlog Maintenance	1,361	2,168	0	0	0	3,529
Remaining Resources Available	0	1,575	1,420	1,120	1,526	5,641
Section 3/4/5 Schemes	0	1,575	1,420	1,120	0	4,115
(Over)/Under Commitment	0	0	0	0	1,526	

Required Capital Budget	1,361	3,743	1,420	1,120	0	7,644
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Surplus budget available if recommendations are implemented in this report.

The Schools Condition grant for 21/22-22/23-23/24 and 24/25 are not yet known. The figures included in year of 21/22 are indicative figures we have received over the last 3 years.

2021/22	1,291,337.00	No Conversion to Date (8/12/20)
2022/23	1,252,000.00	Assuming 2 Conversions (pro-rata)
2023/24	1,213,000.00	Assuming 2 Conversions (pro-rata)
2024/25	1,176,000.00	Assuming 2 Conversions (pro-rata)
2025/26	1,140,000.00	Assuming 2 Conversions (pro-rata)

Procurement Implications

Strategic Sourcing will support the tendering for all works and services contracts within the programme and will ensure all contracts are secured in accordance with EU Regulations and Oldham's CPR's. (Dan Cheetham)

Legal implications

Legal issues are addressed in the body of the report. (Colin Brittain)

Human Resource Implications

N/A.

Equality and Diversity Impact Assessment

Not required.

Property Comments

Included within the content of this report.

Risks:

Method statements and risk assessments will be developed in accordance with the Construction Design Management Regulations 2014.

Co-operative agenda

N/A.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

No

List of Background Papers under Section 100D of the Local Government Act 1972:

There are no background papers for this report

Report Author Sign-off:	
Date:	

Please list any appendices:-

Appendix number or letter	Description
None	



Signed :
Deputy Chief Executive

Date: 22 April 2021



Signed:
Leader of the Council

Date: 22 April 2021



Signed:
Director of Finance

Date: 22 April 2021



Signed:
Director of Economy

Date: 22 April 2021