

# **CENTRAL SERVICES CABINET MEMBER MEETING**

**Agenda Item 11**  
Brighton & Hove City Council

**Subject:** Corporate Building Maintenance Strategy 2009-2012  
**Date of Meeting:** 29 June 2009  
**Report of:** Director of Finance & Resources  
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**Key Decision:** No  
**Wards Affected:** All

## **FOR GENERAL RELEASE**

### **1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To seek approval for the Corporate Building Maintenance Strategy 2009-2012 that sits under the Asset Management Plan and Corporate Property Strategy (AMP). This is a new document providing an overview of our arrangements for maintaining our non-housing operational and non-operational property assets. The document sets our strategy for prioritising and procuring our maintenance works to meet service needs and maximise value for money and how we monitor our performance.

### **2. RECOMMENDATIONS:**

- 2.1 That the Cabinet Member Meeting approves the Corporate Building Maintenance Strategy 2009-2012 as set out in Appendix 1.

### **3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:**

- 3.1 This document is closely linked to the Asset Management Plan and Corporate Property Strategy (AMP) 2008-11 which was approved by Cabinet in October 2008. The AMP sets out our key property objectives which include:
- A. To optimise the contribution that property makes to the council's strategic and service objectives,
  - B. To prioritise investment in our operational assets to meet service delivery needs and
  - C. To seek innovative value for money solutions to our procurement needs.

- 3.2 The Corporate Building Maintenance Strategy provides the framework around which we identify, prioritise, plan, manage and monitor our non-housing operational and non-operational properties where the council has a maintenance liability. Like most local authorities, the Council faces a backlog in the required maintenance of its property assets although this has been maintained at a level below the benchmarked mean average for other authorities as outlined in Section 3.4 of the Strategy. However, in a resource constrained environment we need to continue to achieve the best use of resources, value for money and ensure that all available funding is properly prioritised.
- 3.3 Our required maintenance total is calculated mainly through a rolling programme of condition surveys which identify work required within the following five years and are prioritised as either **1** (urgent works that will prevent immediate closure of the premises and / or remedy a serious breach of legislation, **2** (essential works required within 2 years) or **3** (desirable works required within 3 to 5 years).
- 3.4 Our required maintenance total as at 31 March 2008 was as follows. This total is currently being re-calculated for 2009:

	Priority 1	Priority 2	Priority 3	Total
Schools	£ 2.9m	£ 14.4m	£ 16.6m	<b>£ 33.9m</b>
Operational Other	£ 1.5m	£ 4.6m	£ 11.6m	<b>£ 17.7m</b>
Investment	< £ 0.1m	£ 1.1m	£ 1.3m	<b>£ 2.4m</b>
<b>Total</b>	<b>£ 4.4m</b>	<b>£ 20.1m</b>	<b>£ 29.5m</b>	<b>£ 54.0m</b>

NB: These figures exclude required maintenance for council housing and highways as they are reported separately.

- 3.5 Our overall strategy is to balance the allocation of our finite maintenance resources to the appropriate buildings in order to support service delivery and address our most urgently required maintenance works (i.e. Priority 1).

The objective of the strategy is to maintain a steady state in our baseline total required maintenance figure up to 2012 with the exception of newly identified works, additional properties and annual inflation and to address immediate health and safety, water ingress and structural issues identified within the Priority One works category.

- 3.6 The strategy aims to:
1. Allocate funding to projects that will have the maximum positive impact on our most essential services by a clear and consistent process of prioritisation as outlined in Section 6.3 of the Strategy,
  2. Target a proportion of the available funding against our identified required maintenance total prioritised in accordance with our condition surveys as outlined in Section 6.4 of the Strategy and
  3. Achieve maximum efficiencies in the way we procure building maintenance works as described in Section 5.0 of the Strategy and Item 3.10 below.

- 3.7 The highest proportion of our required maintenance relates to schools. Although there are targeted annual funds for structural maintenance this is insufficient to maintain a steady state. However there are other budgets that assist, including parts of the Modernisation, Accessibility and Asset Management Fund, as detailed in Section 5.2.1 of the Strategy.

Significant amounts of capital investment from the Schools Futures Programme - such as the Primary Capital Programme and Building Schools for the Future – will also further redress the required maintenance totals at the schools targeted for these investments.

- 3.8 The funding available for the non-school operational and investment properties (where the council has a repairing obligation) is outlined in Section 5.2.2 of the Strategy and includes the Planned Maintenance Budget, Social Care Planned Maintenance Budget and the Asset Management Fund.
- 3.9 We closely monitor our required maintenance level and provide an annual report through our Property Performance Indicators (PPIs) which are published on our website. We are also seeking ways to improve the quality of our condition data to ensure that our reported required maintenance figure remains as accurate and valid as possible and can be used to inform the budget setting process and the Medium Term Financial Strategy.

This will mean that our total five year maintenance figure is certain to increase as we fine tune our asset management information gathering techniques. Such increases can be attributed to a variety of factors including:

- Inflation in tender costs for construction work outstripping increases in the allocated annual preventative maintenance budgets.
- Improved knowledge of our building stock condition through enhanced surveys.
- Better understanding of new legislation which places significant demands on the council.
- Additional building elements having reached the end of their useful life.

### 3.10 **Procurement**

The strategy sets out the wide range of procurement techniques already used by Property & Design in respect of its maintenance and improvement budgets which include strategic partnerships, frameworks and traditional selective tendering. The particular procurement route used for each project is dependent on the nature and value of the work to ensure that the most economic method is employed.

### 3.11 **Targets**

The Strategy sets out a range of targets that we aim to achieve by 2012 by the adoption of this strategy and these are set out in Section 7 of the Appendix. Many of these targets are linked to our AMP&CPS targets to ensure that we follow a consistent approach in the maintenance and management of our property assets.

## 4. **CONSULTATION**

- 4.1 Regular consultations have taken place with all Client Officers of the relevant Departments and with technical officers.

## 5. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 5.1. The 2009/10 capital and revenue resources referred to within the strategy were approved as part of the Capital Investment Programme and General Fund Revenue Budget reports at Council on 26<sup>th</sup> February 2009. The longer term maintenance liability highlighted in the Building Maintenance Strategy will need to be reflected within the Council's Medium Term Financial Strategy and budget and strategy.

*Finance Officer Consulted: Stuart Taylor*

*Date:18/05/2009*

### Legal Implications:

- 5.2 The report does not raise any specific contractual issues. The Procurement strategy must comply with legal requirements, in particular EU Procurement law and the Council's contract standing orders. Any contracts over £75,000 must be prepared in a form approved by the Head of Law. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report

*Lawyer Consulted: Alison Leitch*

*Date:20/05/2009*

### Equalities Implications:

- 5.3 Where applicable, items of maintenance work identified as a result of the Building Maintenance Strategy will consider the Disability Discrimination Act 1995 to improve access and general facilities to address the diverse needs of staff and users of the civic offices, operational and commercial buildings. The prioritisation method specified in the strategy will give priority to statutory requirements including DDA compliance.

### Sustainability Implications:

- 5.4 Improvements in sustainable construction and procurement are highlighted in the strategy and represent one of the key threads in the document. Energy efficiency measures are incorporated into maintenance works where appropriate.

### Crime & Disorder Implications:

- 5.5 There are no direct implications in respect of the prevention of crime and disorder within this report although certain items of identified work will try to minimise vandalism through design and the use of relevant materials.

### Risk & Opportunity Management Implications:

- 5.6 The risks and opportunities are dependent on the successful procurement of contractors and robust contract and financial management to ensure that identified works are completed safely within budget and programme.

Corporate / Citywide Implications:

- 5.7 The maintenance of operational properties is part of the Asset Management & Corporate Property Strategy to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Failure to identify, prioritise and plan the maintenance of our key building stock will increase risks, inhibit service delivery, lead to a negative perception of the Council, reduce the value of the assets and prevent fulfilling the council's priorities, aims and objectives as stated in the AMP&CPS 2008-11.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The council needs a maintenance strategy to ensure that it is making best use of available maintenance funding. The decision is required to endorse the adoption of the Corporate Building Maintenance Strategy 2009-2012 and enables the council to fulfil its commitment to deliver the targets contained both within this strategy and AMP&CPS.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Proposed Corporate Building Maintenance Strategy 2009-2012

**Documents in Members' Rooms**

1. None

**Background Documents**

1. The Corporate Property Strategy & Asset Management Plan 2008-11

