

Subject:	Annual Planned Maintenance Budget and Asset Management Fund Allocations 2018-19 for the Council's Operational Buildings		
Date of Meeting:	29 March 2018		
Report of:	Executive Director for Economy, Environment & Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 To seek approval for the annual Property revenue and capital budget allocations and programme of works. The proposed 2018-19 annual Planned Maintenance Budget (PMB) revenue allocation of essential repair works to civic offices, historic, operational and commercial buildings consists of a revenue budget relating to the corporate Planned Maintenance Budget of £2,800,650 and a Social Care Planned Works Budget of £500,000, totalling £3,300,650. The annual Asset Management Fund (AMF) is a capital budget for property improvements and health & safety works totalling £1,000,000.

2. RECOMMENDATIONS:

2.1 That Policy, Resources & Growth Committee

- (i) approve the annual programme of planned maintenance works as detailed in Appendices 2 and 3, at a total estimated cost of £3,300,650;
- (ii) approve the Asset Management Fund allocation for 2018/19 totalling £1,000,000, as detailed in paragraph 3.4.1 of this report.
- (iii) grants delegated authority to the Assistant Director of Property & Design to procure the planned maintenance budget and asset management fund improvement works and award contracts within these budgets, as required, in accordance with the council's Contract Standing Orders.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 Asset Management

The council's Corporate Property Strategy & Asset Management Plan 2014-2018 (CPS & AMP) sets out the property context for Brighton and Hove, the council's strategic property objectives, and is available on the council's website. The council's property is managed strategically and operated through a mixed economy Corporate Landlord model that centralises the council's property functions to professional teams in Property & Design. The aim is to make best use of our assets and improve the utilisation, efficiency and effectiveness of our land and buildings. This is supported by the council's asset data management software Atrium that aims to centralise property related information. Rolling condition surveys are undertaken to ensure a robust assessment of the council's 5-year requirement for planned maintenance to help prioritise future programmes of work. Risk assessments are carried out to ensure that required capital investment is prioritised to make best use of our assets.

3.2 Planned Maintenance Budget (PMB)

This budget of approx. £3.3m relates to those operational buildings where the council has a repairing liability but excludes council housing, highways and educational establishments which have their own budgetary provisions.

3.2.1 The Corporate Building Maintenance Strategy 2015-2018 that supports the CPS & AMP, is an appendix of the AMP and sets out a robust strategic framework to deliver the key property objective to optimise the contribution that property makes to the council's priorities and strategic and service objectives. The aim is to ensure that finite maintenance resources are prioritised and targeted at our key operational assets to meet service delivery needs and maintain the value of our key assets

3.2.2 Like most local authorities, the council faces a backlog in its required maintenance, extreme budget challenges and our small and limited maintenance budgets are inadequate for the need. Financial controls applied over a number of years have meant substantial cuts in what can be achieved with the annual maintenance programme, that in turn increases our prioritised volumes of required maintenance. We aim to ensure best use of resources, value for money and that funding is properly prioritised.

3.2.3 The annual planned maintenance budget allocation is prioritised in consultation with Client Officers to address the more critical and essential maintenance works to support service re-design and delivery. It also aims to ensure that statutory compliance works and as many higher risk Health and Safety issues as possible are addressed. Essential maintenance also includes works of a structural nature and those that keep our buildings watertight.

3.2.4 In accordance with the council's 50 year lease agreement with the trustees of the Dome Complex that commenced in 1999, £211,837 has been top-sliced from the budget to contribute to a sinking fund for maintenance liabilities at the Dome. There is an obligation within the lease agreement that the council provides a contribution to a sinking fund each year (that increases by RPI) to maintain the fabric of the building including major items of plant and the budget for this

is included in the Corporate Planned Maintenance Budget.

3.3 Summary of Annual Planned Maintenance Budget Programme of Works

The financial allocation to each main Client area is listed within Appendix 2 and Appendix 3. Examples of planned maintenance works in the corporate programme include high-level external repairs and redecoration to the Royal Pavilion, roofing works to the chapels at Woodvale, repairs to the Jubilee Clock Tower and seafront railings that are redecorated on a rolling programme. There are sums to fund the ongoing structural propping to Madeira Terraces whilst solutions are being sought. A contribution supports planned refurbishment works at Brighton Town Hall. Each Client area also has a sum allocated for Health and Safety management works that helps support service providers to progress any prioritised remedial works throughout the course of a year. Examples of areas of work to the adult and children's Social Care portfolio include a variety that address risk reduction to support some of the most vulnerable; such as improving security, addressing damp issues, resurfacing and redecorations. There are also allocations to fund external repairs and redecorations and replaced aged oil fuelled boilers at Wayfield Avenue care centre.

3.4 The Asset Management Fund (AMF)

The Asset Management Fund (AMF) 2018/19 is a capital fund to support property improvements, property related Health & Safety requirements and access improvements under the Equality Act 2010. It forms part of the Capital Strategy 2018/19 along with the Strategic Investment Fund (SIF) of £250,000 and the ICT Strategy Fund of £500,000 and consists of a budget of £1,000,000 funded from capital receipts.

3.4.1 The proposed overall AMF allocation is as follows and details of the bids can be found in Appendix 4:

Description	AMF
1. General Property Improvements	Funding £m
1a Workstyles Phase 4—Brighton Town Hall	0.750
1b Provision of Bird Netting to Roof of Hove Town Hall	0.025
1c Hove Town Hall adaptations to existing ventilation	0.065
Sub total general property improvements	0.840
2. Equality Act Improvements	
2a Rolling programme of access improvements to corporate buildings	0.035
3. Property Related Health & Safety Legislation	
3a Asbestos Management	0.030
3b Legionella Management	0.035
3c Fire Risk Assessment Works	0.060
Sub total Equality Act & property related Health & Safety	0.160
TOTAL OVERALL	1.000

3.5 Procurement of Works

3.5.1 Contract Standing Orders set out the council's process for the procurement of works. We have streamlined the way we procure planned maintenance through a wide range of collaborative processes. Achieving the best use of every pound spent, and reducing risk within the financial restrictions, is largely dependent upon adopting the right form of procurement for each given situation. Larger value projects (in the main capital projects) are delivered through the council's Strategic Construction Partnership. Lower value planned maintenance projects that are well defined, simplistic in nature, are procured using traditional competitive tendering to achieve best value through testing competition within the market. Where appropriate for works below £25,000 Property & Design's reactive repairs and minor works framework is utilised.

3.5.2 The PMB includes an allocation to fund statutory testing, routine servicing and maintenance contracts, an integral part of good planned maintenance practice. This includes mechanical and electrical, lifts and water hygiene cyclical maintenance. Current contracts were extended in November 2017 to March 2020. After this time it is anticipated that the contracts procured through the collaborative procurement exercise with Orbis partners as set out in 3.5.3 may be utilised where they are of benefit to the council.

3.5.3 Senior Property Officers are currently working on a large collaborative Hard Facilities Management procurement exercise with Orbis partners at Surrey and East Sussex County Councils across various workstreams which is covered by a separate report on this Committee Agenda. Providing outcomes are to the wider benefit of each sovereign authority, officers will be looking to procure future works through this arrangement post April 2019.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Failure to maintain our building stock and conform to Health and Safety and other statutory legislation to meet liabilities will increase risks, inhibit service delivery, may 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 CPS & AMP and Corporate Plan. Property teams work closely together to ensure that these programmes of investment work align with others.

4.2 Failure to improve the council's core office accommodation, address property related access obligations under the Equality Act 2010 and property related Health & Safety legislation would increase council risks and liabilities, inhibit service delivery, may lead to a negative perception of the council, reduce the value of our assets and prevent fulfilling the council's priorities, aims and objectives as stated in the Corporate Property Strategy and Asset Management Plan 2014-2018 and the corporate priorities in the council's Corporate Plan.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Regular consultations take place with all Client Officers of the relevant Directorates and with technical officers within Property.

- 5.2 The Workstyles project will involve extensive internal and external consultations on customer and service delivery requirements, flexible working supported by appropriate technology and service re-design.

6. CONCLUSION

- 6.1 To approve the financial allocation to a prioritised annual programme of maintenance works to the operational buildings set out in Appendices 2 and 3 excluding council housing, highways and educational properties which have their own budgetary provisions.
- 6.2 To approve the AMF financial allocation for 2018-19 and the recommended bids as detailed at paragraph 3.4.1 and Appendix 4 for property improvements, access requirements under the Equality Act 2010 and property related Health & Safety requirements for 2018-2019

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The council's Planned Maintenance Budget for 2018-19 provides a total of just over £3.3m for annual planned maintenance expenditure on the council's civic offices, historic, operational (excluding schools, housing and highways) and commercial buildings. Included within this annual budget and overall programme of works are items that will be capitalised and included in the 2018-19 capital programme. A permanent annual contribution toward the Dome Complex sinking fund of £211,837 has been top sliced from the Corporate Planned Maintenance Budget. The proposed budget allocation to the respective building portfolios reflects the risk prioritisation outlined in the report and is shown in Appendix 2 to this report.
- 7.2 The Planned Maintenance Budget will be met from a combination of revenue budget and capital borrowing (£1.0m). By funding part of the PMB through borrowing the Integrated Service & Financial Plans have been able to release £0.4m from 2017/18 of revenue budget from the PMB allocation toward the three year Integrated Service and Financial Plans savings target. Up to £0.1m of the budget is set aside to meet future years borrowing costs. It is projected that £0.070m will be required for 2018/19 financing costs allowing the balance to be held as a contingency for the schedule of works identified in Appendix 2.
- 7.3 The council's capital funded works programme provides an additional £0.5m, for essential repair works to Social Care premises. The proposed budget allocation is shown in Appendix 3 to this report. This is funded from borrowing with the financing costs met corporately within the general fund revenue budget.
- 7.4 The programme of works set out in the appendices can be funded from within the agreed budget allocations for 2018-19. Emerging compliance risks will be addressed by reprioritising the allocation as required. Risk and priorities will be reassessed and considered in the development of the allocation for 2019-20.

7.5 The Revenue Budget 2018/19 report presented to Budget Council on 22 February 2018 recommended the allocation of £1.0m capital resources to support the Asset Management Fund 2018/19. These allocations will be incorporated into the council's Capital Investment Programme 2018/19 to support the schemes identified within the table at paragraph 3.4 and Appendix 4. The AMF will make a contribution toward the Workstyles Phase 4 project subject to a detailed business case being approved by this Committee at a later date. Any revenue budgets and running costs associated with the investments in this report will be met from existing budgets.

Finance Officer Consulted: Rob Allen

Date: 16/02/18

Legal Implications:

7.6 Works of repair set out in this report must comply with relevant lease conditions, health and safety and other applicable legislation. Framework agreements, with individual contracts being called off under the frameworks and partnering agreements are effective contractual tools for delivering construction contracts on time within budget. All forms of procurement outlined in this report must comply with the council's Contract Standing Orders and, where applicable, EU and UK public procurement obligations.

The proposed works fulfil legislative requirements under Health & Safety law including in relation to fire safety and the control of Legionella. The access improvement works proposed will assist the council in meeting its obligations under The Equality Act 2010.

Lawyer Consulted: Elizabeth Culbert

Date: 05/02/2018

Equalities Implications:

7.7 Where applicable, items of maintenance work within the programme will consider the Equality Act 2010 to improve access and general facilities to address the diverse needs of staff and users of the civic offices, operational and commercial buildings.

The provision of on-going access works under the rolling programme will assist in the council in meeting requirements under the Equalities Act 2010. Alterations to Brighton Town Hall will comply with current Building Regulations Part M and will improve access to the North entrance

Sustainability Implications:

7.8 Sustainability will be improved through the rationalisation of assets, associated infrastructure and environmental improvements. Energy efficiency measures are incorporated into maintenance and improvement works where appropriate.

Any Other Significant Implications:

- 7.9 The maintenance of operational properties is part of the Corporate Property Strategy & Asset Management Plan 2014-2018 to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Other Implications
2. Proposed Corporate Planned Maintenance Budget Allocation 2018-19
3. Proposed Social Care Planned Works Budget Allocation 2018-19
4. Proposed Asset Management Fund - Detail of Allocations

Documents in Members' Rooms

None

Background Documents

1. The Corporate Property Strategy & Asset Management Plan 2014-2018
2. The Corporate Building Maintenance Strategy 2015-2018

Crime & Disorder Implications:

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

Risk and Opportunity Management Implications:

- 1.2 The risks and opportunities are dependent on the successful procurement of contractors and robust contract and financial management to ensure that works are completed safely within budget and programme. Corporate risk is reduced through the Corporate Landlord model, ensuring consistency of approach for statutory and other legal requirements.

Public Health Implications:

- 1.2 The allocation includes funding the Water Management, Mechanical, Electrical and Lift statutory compliance and servicing contracts. Failure to have robust processes to manage these risks could lead to significant public health implications e.g. proliferation of Legionella Bacteria, etc. Both the Corporate and Social Care programmes include prioritised works to reduce risk to public health e.g. structural improvements, internal decorations to improve hygiene in Social Care premises, etc.
Works to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice ensures public health requirements are met with regard to Legionella and asbestos management.

Corporate / Citywide Implications:

- 1.4 The maintenance, repair and improvement of operational properties is part of the Corporate Property Strategy & Asset Management Plan 2014-2018 to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

Proposed Corporate Planned Maintenance Budget Allocation 2018-19

Property Type	Examples of works / properties covered	Client Officer	Budget Allocation
Corporate - Building	Asbestos testing & surveys	All	£17,500
Corporate - Fabric maintenance contracts Mechanical & Electrical testing, servicing & statutory compliance	Clearance of roofs, gutters, graffiti removal, boilers, legionella control, lifts, mechanical & electrical testing & maintenance	All – corporate contracts cover all property types - historic, leisure, libraries, Brighton Centre etc.	£800,000
Historic	Royal Pavilion external repairs & redecoration	Tim Thearle	£408,000
Dome	General maintenance	Dome	£211,837
Leisure	Swimming pools, paddling pools & golf clubhouses	Kerry Taylor	£226,000
Libraries	Various libraries	Sally McMahon	£50,700
Seafront	Seafront repairs & redecoration, Volks Railway & Madeira Terrace	Toni Manuel	£402,200
Amenity	Parks buildings, cemeteries & memorials	Andrew Batchelor / Judith Street (cemeteries)	£190,000
Civic	Bartholomew House & Brighton Town Hall	Martin Hedgecock	£215,000
Hollingdean Depot	Hollingdean Depot	Tracy Phipps	£30,000
Commercial	Miscellaneous Landlord obligations	Jessica Hamilton	£124,913
Venues	Brighton Centre	Howard Barden	£124,500
TOTAL			£2,800,650

Proposed Social Care Planned Works Budget Allocation 2018-19

Property Type	Examples of works covered	Prioritisation	Budget Allocation
Social Care Premises	Mechanical heating improvements to Wayfield Avenue, Wellington House & Ireland Lodge	Condition survey & energy efficiency measures	£200,000
	Internal Refurbishment to eleven social care premises	Statutory & condition survey	£186,000
	External Refurbishment to Children's Centres, 55 Drove Road, 83 Beaconsfield Villas, etc.	Condition survey	£94,000
	Fire Precautions – works to be prioritised through fire risk assessments	Statutory	£15,000
	Electrical lighting improvements at Knoll House	Condition survey	£5,000
TOTAL:			£500,000

Proposed Asset Management Fund - Detail of Allocations

1) General Property Improvements

1a) Workstyles Phase 4: Brighton Town Hall: £750,000

Following the successful completion of Phase 3 of Workstyles, there are several areas of the Council which remain untouched by the programme which creates an inequality for staff, as some are able to work flexibly, while others are limited by the pre-Workstyles approach. Addressing these inequalities and applying Workstyles principles to the council's remaining buildings will be the focus of the fourth phase of the programme. The Lead Project in Workstyles Phase 4, as reported at Policy Resources and Growth on 23rd March 2017, will be the redevelopment of Brighton Town Hall. Options and a Business Case for this project are under development and will be presented to Policy Resources and Growth Committee in July 2018

A contribution of £750,000 is required per year, for four years ie 2017/18, 2018/19, 2019/20 and 2020/21 to be allocated from the Asset Management Fund (AMF) to support the business case. On 23rd March 2017, Policy Resources and Growth approved the 2017/18 allocation and this report seeks approval for the 2018/19 allocation.

1b) Provison of bird netting to the roof of Hove Town Hall: £25,000

Following completion of the refurbishment works at Hove Town Hall in 2016, the new roof top plant and solar panels have subsequently proved to be an attraction for seagulls, who are nesting and congregating in significant numbers on the roof. This has led to a health risk for Council maintenance staff and contractors, due to the amount of accumulating 'guano', together with significant other debris (such as fish bones, carcasses etc). The resultant debris has also caused roof outlets to become blocked which in turn created leaks within the building. The amount of seagull 'guano' has also impacted on the efficiency of the solar PV panels which require more frequent cleaning. This proposal will provide netting over a significant area of the roof on the North wing of the building, where most of the plant and PV panels are located.

1c) Hove Town Hall - adaptations to existing ventilation : £65,000

Adaptations are required to the ventilation system on the ground floor of Hove Town Hall (North Block) which were not covered under the 2016 refurbishment. No works were carried out in these areas as they remained in occupation throughout the contract.

2) Equality Act Improvements: £35,000

The following work is proposed :

- Provide hearing enhancement system improvements/installations to Corporate Landlord buildings where identified in recent audit review to include additional neck - loop receivers, lapel microphones and hand-held microphones
- Make improvements to the area around the Whitehawk Hub as identified in a recent Access Appraisal such as improving signage/wayfinding, , dropped kerbs, provision of benches and contrasting nosings and handrails to external steps

3) Property Related Health & Safety Legislation

3a) Asbestos Management: £30,000

The Council is proposing to purchase new Asbestos Management Software, jointly with Surrey and East Sussex Councils (as part of ORBIS). This allocation would be a contribution to the software purchase

3b) Legionella Works (L8): £35,000

On-going works are required to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice – HES-L8 to prevent the occurrence of legionella in installed equipment and water systems.

Works are planned to be carried out to Civic, Social Care and Schools buildings as identified by the Council's Compliance Manager. Works include removal of pipe 'dead legs', temperature calibrations, measures to keep water at prescribed temperatures and provision of secondary returns to avoid stagnation.

Examples of buildings which have been identified as needing work include Coldean library, Cornerstone Children's Centre, East Brighton park Pavilion and Hollingdean Depot

3c) Fire Risk Assessment Works: £60,000

This bid will contribute towards a prioritised rolling programme of works to council properties following Fire Risk Assessments of council properties. Various works have been identified and this bid will allow the highest priority works to be completed in accordance with the Regulatory Reform (Fire Safety) Order 2005.

Buildings requiring works include:

- Slipper Baths, North Road
- Elm Grove and Moulsecomb Primary and Patcham Junior Schools

