

Subject:	Planned Maintenance Budget Allocation 2015-16 and Programme of Works for the Council's Operational Buildings		
Date of Meeting:	19 March 2015		
Report of:	Interim Executive Director of Finance & Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 29-1450
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To report upon the proposed 2015-16 allocation of improvement and essential repair works to civic offices, historic, operational and commercial buildings within the Corporate Planned Maintenance Budget of £3,066,158 and the Social Care Planned Works Budget of £500,000. Examples of buildings included within this year's programme are the Royal Pavilion, Preston Manor, Hove Town Hall, Bartholomew House, Madeira Terrace, Brighton Centre, Imperial Arcade, Hollingdean Depot, and Social Care premises.
- 1.2 These budgets relate to those buildings where the council has a repairing liability but excludes council housing, highways and educational establishments which have their own budgetary provisions.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee—
- (i) approve the annual programme of planned maintenance works as detailed in Appendices 2 and 3, at a total estimated cost of £3,566,158; and
 - (ii) grant delegated authority to the Assistant Director of Property & Design to procure the planned maintenance works and enter into contracts within this budget, as required, in accordance with Contract Standing Orders.

3. CONTEXT / BACKGROUND INFORMATION

- 3.1 The council's Corporate Property Strategy & Asset Management Plan (CPS & AMP) sets out the property context for Brighton & Hove, the council's strategic property objectives, and is available for download from the Council's website. Following the introduction of a Corporate Landlord model of working in 2013, the CPS & AMP has been reviewed and refreshed. It was approved by December

2014 Policy & Resources Committee and has been re-published setting out the council's property strategy for 2014-2018.

- 3.2 The Corporate Building Maintenance Strategy 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 invested through prioritisation and targeted at our key operational assets to meet service delivery needs and maintain the value of our key assets. This document is being reviewed and updated to reflect our adopted Corporate Landlord model of working and the centralisation of maintenance budgets started in 2013 and will be published in 2015.
- 3.3 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. We aim to ensure best use of resources, value for money and that funding is properly prioritised. The CPS & AMP and Corporate Building Maintenance Strategy further details the way in which the council manage the required maintenance of its property assets and is the basis used for prioritising and setting this annual programme of works. The Workstyles programme ensures our key administration buildings are refurbished and we dispose of our unsuitable buildings. Under this programme we will minimise major repairs to buildings that are to be disposed, only addressing emergency priorities. This will also help to reduce carbon emissions from our estate. This principle is applied to all operational buildings/sites that are being considered for disposal, alternative use and delivery models, redevelopment and major investment. Our key aim is to avoid reaching a tipping point whereby our maintenance backlog figure is not containable. With reducing budgets it is a major challenge to try to ensure that certain buildings and structures do not bring down the appearance and reputation of the City.
- 3.4 This annual planned maintenance budget allocation is prioritised to address the more critical and essential maintenance works to support service re-design and delivery and ensure that statutory compliance works and key Health and Safety risks are addressed. Essential maintenance also includes works of a structural nature and those that keep our buildings watertight. The planned programme does not include remedial works to rectify storm damage which is covered by reactive maintenance budgets or insurance claims.
- 3.5 In accordance with the council's 50 year lease agreement with the trustees of the Dome Complex that commenced in 1999, £197,000 has been top-sliced from the budget annually 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 Planned Maintenance Budget.

Corporate Landlord Function

- 3.6 As part of the council's Value for Money programme, the council introduced the Corporate Landlord model and centralised the council's property functions to the professional teams in Property & Design. The aim is to improve the utilisation,

efficiency and effectiveness of our land and buildings. This is supported by the Council's new asset data management software which centralises all property related information. A major refresh of condition survey data is being undertaken to ensure a robust assessment of the council's 5-year requirement for planned maintenance.

Procurement of Planned Maintenance

- 3.7 Contract Standing Orders set out the mechanism for the procurement of works. The Construction Professionals within Property & Design 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 is largely dependent upon adopting the right form of procurement for each given situation. Larger value projects are procured and delivered through the council's 4 year Strategic Construction Partnership. For mid-value projects we have used the Sussex Cluster Contractor Framework originating from the Improvement and Efficiency South East (IESE) initiative working in close collaboration with neighbouring county, district and borough councils, housing associations, Health Trusts, Universities, East Sussex Fire and Rescue and Sussex Police. Lower value planned maintenance projects that are well defined, and simplistic in nature, are procured using traditional competitive tendering to achieve best value.
- 3.8 Property and Design are currently working collaboratively with East Sussex County Council to procure a suite of specialist contractor frameworks such as planned mechanical works, flat and pitched roofing, etc.

Procurement of Term Maintenance & Servicing Contracts

- 3.9 The main benefits of the adoption of the Corporate Landlord model is the economy of scale, efficiencies and ease of management through the combination and retendering of several, smaller, similar contracts into four contracted lots.

In 2014-15 the major Water Management, Mechanical, Electrical and Lift statutory compliance and servicing contracts were tendered through the EU public procurement procedure. These contracts embrace a new approach to traditional servicing and compliance contracts that are yielding efficiencies year on year as reflected in agreed budget savings.

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 AMP & CPS and Corporate Plan.

5. COMMUNITY ENGAGEMENT & CONSULTATION

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

6. CONCLUSION

- 6.1 To approve the financial allocation to an annual programme of maintenance works to the operational buildings excluding council housing, highways and educational properties which have their own budgetary provisions.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The council's revenue funded Planned Maintenance Budget for 2015-16 provides a total of £3,066,158 for annual planned maintenance expenditure on the council's civic offices, historic, operational (excluding schools, housing, highways and social care) and commercial buildings which reflects anticipated savings through smarter contract procurement and the ongoing benefits of efficiencies through the centralisation of the corporate landlord function. Included within this annual budget and overall programme of works are items that will be capitalised and included in the 2015-16 capital programme. The proposed budget allocation to the respective building portfolios reflects the risk prioritisation outlined in the report and is shown in Appendix A to this report.
- 7.2 The council's capital funded works programme provides an additional £500,000, for improvement works to Social Care premises. The proposed budget allocation is shown in Appendix B to this report.
- 7.3 The programme of works set out in the appendices can be funded from within the agreed budget allocations for 2015-16. 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 2016-17.

Finance Officer Consulted: Rob Allen

Date: 13/02/15

Legal Implications:

- 7.4 Works of repair set out in this report must comply with relevant lease conditions and health and safety and other applicable legislation. Framework agreements, with individual contracts being called off under the frameworks using 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.

Lawyer Consulted: Oliver Dixon

Date: 09/02/15

Equalities Implications:

- 7.5 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.

Sustainability Implications:

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

Any Other Significant Implications:

Corporate / Citywide Implications:

- 7.7 The maintenance of operational properties is part of the Corporate Property Strategy & Asset Management Plan 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 2015-16
3. Proposed Social Care Planned Works Budget Allocation 2015-16

Documents in Members' Rooms

None

Background Documents

1. The Corporate Property Strategy & Asset Management Plan
2. The Corporate Building Maintenance Strategy

Other Implications:**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 will be reduced through the Corporate Landlord model, ensuring consistency of approach for statutory and other legal requirements.

Public Health Implications:

- 1.3 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.

Proposed Corporate Planned Maintenance Budget Allocation 2015-16

Property Type	Examples of works and properties covered	Client Officer	Budget Allocation
Corporate - Building	Asbestos testing & fees	All	£43,500
Corporate - Fabric maintenance contracts, Mechanical and Electrical	Clearance of roofs, gutters, graffiti removal, boilers, legionella control, lifts, electrical testing & maintenance	All	£841,524
Historic	Royal Pavilion (including £191,000 annual financing costs for stonework project), Preston Manor, Booth Museum and Portslade Old Manor Ruins	Tim Thearle	£510,000
Dome	General maintenance	Dome	£197,000
Leisure	Leisure Centres, swimming pools, paddling pools & Withdean complex	Toby Kingsbury	£201,000
Libraries	Hove Library, Portslade Library & Rottingdean Grange	Sally McMahon	£61,300
Seafront	Seafront maintenance, chalets, Volks Railway, & Madeira Terrace	Toni Manuel	£269,200
Amenity	Pavilions, cemeteries & memorials	Peter Wickson	£117,000
Civic	Town Halls & council offices	Martin Hedgecock	£488,134
Hollingdean Depot	Hollingdean Depot	Jan Jonker	£50,000
Commercial	Community Centres & misc. Landlord obligations	Jessica Hamilton	£115,000
Venues	Brighton Centre	Howard Barden	£172,500
TOTAL			£3,066,158

Proposed Social Care Planned Works Budget Allocation 2015-16

Property Type	Examples of works covered	Prioritisation	Budget Allocation
Social Care Premises	Mechanical – water hygiene improvements & replacement heating controls	Condition survey & energy efficiency measures	£38,000
	Internal Refurbishment – to meet hygiene regulations	Statutory & condition survey	£125,000
	External Refurbishment – window replacement, external repairs & refurbishment	Condition survey	£262,000
	Fire Precautions – works identified through fire risk assessments	Statutory	£15,000
	Lifts - refurbishment	Statutory & condition survey	£60,000
TOTAL:			£500,000