

**Brighton & Hove City Council  
Corporate Building Maintenance Strategy  
2008 to 2011**



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# Brighton & Hove City Council

## Corporate Building Maintenance Strategy

### 2008 to 2011

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## EXECUTIVE SUMMARY

Building Maintenance can be defined as the proactive prevention or remedial correction of faults to the fabric of a building and its associated fixed plant and equipment. The council's annual expenditure on building maintenance work represents a major recurring investment. Building maintenance funding is limited and the council aims to achieve the best value for money from every available pound spent. This aim is aligned to the council's corporate priority to achieve "*Better use of public money*" and to the council's current Asset Management Plan & Corporate Property Strategy (AMP) whose key objectives 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" &*
- "C. To seek innovative value for money solutions to our procurement ... needs"*

This Corporate Building Maintenance Strategy sets out how the council plans to achieve these AMP objectives and address our identified required maintenance in respect of council maintained non-housing operational and non-operational properties with the three Building Maintenance Strategy Aims list below:

- Aim 1** Allocating funding to projects that achieve the maximum positive impact on our most essential services by a clear and consistent process of prioritisation,
- Aim 2** Targeting a proportion of the available funding against our identified required maintenance total and
- Aim 3** Achieving maximum efficiencies in the way we procure building maintenance works.

This document provides the strategic framework around which we identify, prioritise, plan, manage and monitor the maintenance of the city council's non-housing property stock. This includes civic offices, historic buildings, libraries and museums, leisure centres, farmland buildings, social care and schools buildings. Our key objective is to ensure that all council buildings are maintained in line with best practice and use of resources, that legal duties are met and that customer satisfaction is enhanced. The strategy is divided into the following sections:

**Section 1** provides contextual information in respect of the Council's property ownership and explains how this strategy links to our overall corporate asset management strategy.

**Section 2** defines what we mean by "maintenance" work and explains why this is important to the Council and service delivery.

**Section 3** sets out the current level of our required maintenance over the next five years and how we benchmark our performance against other authorities. It is vital that the council understands the condition and suitability of its property holdings and this section provides details of how we collect this information and ensure that it is regularly refreshed and updated. It highlights the key objectives of this strategy and identifies the main drivers for a strategic approach to our maintenance programmes which include compliance with property related legislation.

**Section 4** defines the main property portfolios and who is responsible for their maintenance. This section also sets out how we engage with directorate management teams (DMTs) through the budget setting process.

**Section 5** sets out the budgets available for the repair, improvement and upkeep of our buildings and discusses how we procure work and services derived from this strategy and our current initiatives to ensure that we are achieving maximum value for money.

**Section 6** sets out the criteria used by the Property & Design division of the Finance & Resources directorate for allocating our available maintenance resources ensuring that funding is targeted correctly and is directly related to service need and the council's overall priorities.

**Section 7** contains the milestones and targets we aim to achieve up to 2011 by implementing this strategy.

This strategy applies to planned maintenance funding of the property assets managed by the Property & Design division. Separate strategies relate to the specific needs of the Housing and Highways departments and these are therefore excluded from this document.

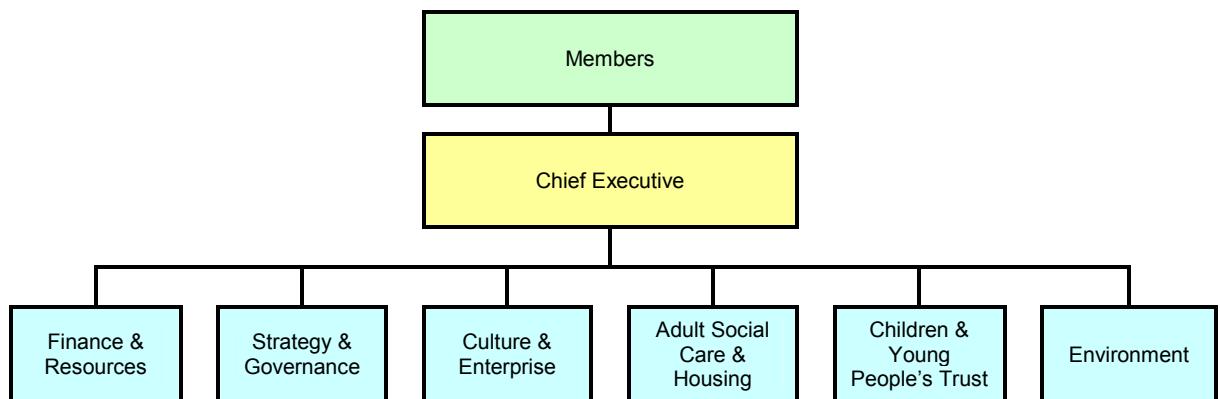
## 1.0 INTRODUCTION

### 1.1 Brighton & Hove City Council

The City of Brighton & Hove is a vibrant, thriving “city by the sea” and the largest urban centre on the south coast lying approximately 50 miles south of London and attracting over 8 million visitors a year. The City has a population of a quarter of a million people.

Brighton & Hove City Council (B&HCC) is a unitary authority formed in 1997 and represented by three members of parliament and 54 councillors in 21 wards. The Council's governance and directorate structure is indicated in *Figure 1a* below:

*Figure 1a: Brighton & Hove City Council's Organisational Directorate Structure*



The Property & Design division of the Finance & Resources directorate provides a strategic lead for the council's property portfolio and has corporate responsibility for the Asset Management Plan. In addition Property & Design manage and maintain the Council's non-housing operational property assets including schools, adult social care, environment, civic buildings and the commercial and agricultural portfolios. The Corporate Property Officer is also the City Architect leading multi-disciplinary professional property teams offering consultancy architectural and design, building surveying, building services, estate, facilities and energy management advice.

Directorate responsibility for the maintenance of our various property portfolios is discussed in **Section 4.1** below.

### 1.2 The Council's Property Assets

B&HCC has a large and varied portfolio of land and property assets valued in excess of £1.7 billion (as of 31 March 2008). Principal areas of the portfolio include:

- Civic Buildings – administrative office buildings including three town halls
- Environment Buildings – including parks depots & sports pavilions, car parks & travellers site
- Community Buildings – youth and community centres
- School Buildings
- Social Care Buildings – day centres and residential homes
- Libraries and Museums
- Historic Buildings – including the Royal Pavilion & Preston Manor
- Seafront Portfolio – including shelters, arches and Volks' electric railway
- Leisure Buildings – wet and dry sports centres
- Cemeteries and Crematoria
- Over 13,000 housing properties
- Commercial Portfolio – investment properties
- Agricultural Portfolio – 11,000 acres of farmland and related buildings
- Community Assets - assets that the council intends to hold in perpetuity for public use including the esplanade, parks and recreation grounds, cemeteries, allotments, etc.

### 1.3 Our Asset Management Plan & Corporate Property Strategy (AMP)

The AMP provides a strategic overview of the city council's property and land assets and describes the systems, processes and policies already in place or being progressed to manage and maintain them. The AMP is intended to be used as a tool to help maximise the deployment of these assets to support service delivery and deliver on our corporate priorities and objectives. The current version of the AMP covers the period 2008 to 2011, was approved by Cabinet in October 2008 and is available for download from the council's website at:

<http://www.brighton-hove.gov.uk/index.cfm?request=c1152664>.

The AMP identifies six property objectives for our strategy and clearly demonstrates the link between these and our corporate priorities:

- A. To optimise the contribution property makes to our objectives,
- B. To prioritise investment in our property assets to meet service needs,
- C. To seek innovative value for money solutions to our procurement and accommodation needs,
- D. To ensure the maximum return from our investment portfolio,
- E. To reduce the environmental impact of our operational assets and
- F. To use our assets to pump prime new development opportunities.

## 2.0 BUILDING MAINTENANCE

### 2.1 Definition of Building Maintenance

Building Maintenance is the proactive prevention or remedial correction of faults to the fabric of a building and it's associated fixed plant and equipment.

### 2.2 Types of Maintenance Work

Preventative maintenance work is planned, undertaken to preserve the asset and carried out in anticipation of future failure. It includes:

- Planned restorative maintenance works, for example the replacement of a flat roof waterproofing system, re-pointing brickwork, etc..
- Cyclical maintenance, for example external redecoration programmes
- Term maintenance servicing of fixed mechanical and electrical plant to reduce risk of excessive breakdowns, for example boiler servicing, electrical tests, water hygiene monitoring, etc..

Corrective maintenance is work undertaken after failure. Examples are emergency repairs that often require a quick response time such as a roof leak, boiler breakdown, burst pipework, etc.. Being unplanned, corrective maintenance is excluded from this strategy document but is managed through dedicated helpdesks for civic buildings, social care and non-school educational buildings and direct by the client service for schools and other operational properties as shown in **Figure 4a**.

### 2.3 Why is Building Maintenance Important?

Building Maintenance costs represent a significant proportion of the total cost of owning and operating a building over its lifetime. It is therefore important that an effective maintenance strategy is adopted to ensure risks are managed, value for money is achieved and the value of the assets is maintained.

Proposed maintenance projects are subject to a process of value engineering, at a level proportionate to the cost of the scheme, to ensure that the maximum benefit can be obtained within the budget available. Where appropriate this will include life cycle cost comparisons of alternative schemes to maximise the value for money obtained.

Brighton & Hove City Council owns a unique portfolio of assets and buildings, epitomised by the ownership of the Royal Pavilion. Building maintenance is essentially a risk management process where assets need to be maintained to a standard that conforms to an appropriate and acceptable level of risk associated with:

- Loss of service delivery.
- Health & Safety (including legal and statutory duties).
- Preservation of the asset's value.
- Efficient operation of the building.
- Security.
- The council's image and reputation.
- Fulfilling the council's priorities, aims and objectives.

By definition there is usually a limited time to organise corrective maintenance which, as a result, is generally more expensive to address than preventative maintenance. Corrective maintenance also carries a higher risk to the Health and Safety of those involved as it often provides only a limited time to plan and execute the works. As a result maintenance best practice confirmed by the Audit Commission suggests that property managers should target a minimum ratio of 70:30 between planned and reactive maintenance. The Council monitors our actual spend ratio through our annual Property Performance Indicators discussed in **Section 3.1** below.

A sound approach to Building Maintenance is the key to sustaining a safe built environment, maintaining the value of the council's assets and reducing corporate risk. The development of this strategy using up-to-date factual condition data will assist in further defining maintenance need to properties across the council. Future projections against current resources levels can then be developed with the findings assisting us in determining the adequacy of current allocated resources. It will enable Members to be better informed and make decisions on issues such as whether maintenance needs a capital injection to catch up on the maintenance backlog.

## 3.0 MEASURING PROPERTY PERFORMANCE

### 3.1 Property Performance Indicators (PPIs)

The council has adopted the seven National Property Performance Management Initiative (NaPPMI) PPIs which we collect and publish annually and which are benchmarked against other local authorities.

This Strategy has been developed as a means of improving our results particularly related to the following NaPPMI PPIs:

- PPI 1A: the % of the council's property in condition categories A (good) or B (satisfactory).
- PPI 1B: the level of required maintenance over the next five years (see **Section 3.2** below).
- PPI 1D: the ratio of maintenance spend on planned and reactive works with a target to achieve a minimum 70% on planned.

### 3.2 Required Maintenance

For the purposes of this strategy, Required Maintenance is defined as "*the cost to bring a property from its present state up to a state reasonably required by the authority to deliver the service and / or to meet statutory or contract obligations and to maintain it to that standard*" (source: Institute of Public Finance (IPF)). Costs are prioritised as **1** (urgent works), **2** (essential works required within years 1 and 2) or **3** (desirable works required within years 3 to 5).

The total of priority 1 to 3 works for each building where the council has a maintenance obligation provides us with our total required maintenance figure for the following five years. This figure is reported annually through NaPPMI PI 1B and the overall result for 2007/8 was £54.0m broken down as shown in **Figure 3a** below.

This prioritised assessment of required maintenance informs the budget setting process outlined in the council's Medium Term Financial Strategy which in turn provides the financial framework to support the delivery of the council's priorities and sets out the resources that will be available to meet them.

*Figure 3a: Brighton & Hove City Council's Required Maintenance (as at 31.03.08)*

Portfolio	Required Maintenance (£m)			
	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 the Housing and Highways portfolios which can be found in the relevant directorate business plans.

The Required Maintenance totals noted above are derived from two main elements – condition surveys and the cost of compliance with statutory legislation.

### Condition Surveys

The council undertook an initial round of condition surveys in 2002 to all operational properties and those where the council retain a repairing obligation. A rolling programme of subsequent surveys carried out by a combination of in-house surveyors and technical consultants aims to refresh this data with 20% of the property portfolios re-surveyed each financial year. The condition surveys include an overall assessment of the building's condition ranging from **A** (in good condition) to **D** (life expired) together with a schedule of prioritised and costed maintenance requirements.

This condition data is used to inform the annual Property Performance Indicators as part of our asset management planning as well as the basis for prioritising our maintenance budgets as discussed further in **Section 6.0** below.

### Statutory & Legislative Compliance

As landlords the council also has a legal obligation to manage the health and safety of people working, staying or visiting our buildings. The council aims to ensure compliance with all statutory responsibilities by taking a corporate approach co-ordinated by Property & Design including:

The Control of Asbestos Regulations, the Control of Legionella HSE Approved Code of Practice and Guidance (L8), the Regulatory Reform Fire Safety Order, the Disability Discrimination Act (DDA) and the Care Standards Act (where relevant).

Our Required Maintenance figures include an allowance for compliance issues in respect of the legislative issues noted above.

## 3.3 Assessment of Our Required Maintenance & Annual Trends

We closely monitor our required maintenance level and provide an annual report through our 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 our budget setting process through 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.**

Our database calculates a basic increase in tender price inflation since the date of each condition survey over a year old. The calculation is necessarily simplistic as tender price increases will vary between types of work and even the time of year that the work is tendered. However as tender prices increase year on year this will result in an increase in the total figure.

- **Improved knowledge of our building stock condition through enhanced surveys.**

Recent surveys have provided an holistic condition assessment for each building rather than the elemental approach undertaken previously recognising that the council would, for example, re-roof an entire building even if the survey only highlighted 50% of the tiles being life expired. Whilst the scaffold is up we are also likely to attend to fascias, soffits, insulation upgrades and related works at the same time. Our holistic approach ensures that the cost of these related elements are also accounted for in our required maintenance calculation even though they may not have been identified for renewal in the more traditional elemental survey approach. This provides a more realistic estimate of the cost of works programmes but inevitably leads to increases in our identified required maintenance calculation as the original, traditional elemental survey results are updated.

- **Better understanding of legislation**

The required maintenance total includes for compliance with statutory legislation as described in **Section 3.2** above. Much of this legislation is relatively new and our compliance strategies are still developing. Our initial approach has been to include an overall assessment for compliance which is then apportioned across the portfolio based on a £/m<sup>2</sup> basis. However as further information is obtained such as surveys and risk assessments we are updating our systems to ensure that more accurate cost data is identified for individual buildings and this can have a significant effect on the overall total.

- **Onerous new legislation**

Changes in legislation including health and safety compliance will have an immediate impact on the required maintenance figure and such effects are unpredictable until a full assessment can be made on our properties.

- **Additional building elements having reached the end of their useful life.**

Our required maintenance total is for works over the next five years. As the annual condition survey programme progresses the year one work requirements are revised and the previous "year six" works will then be reflected in the new required maintenance totals. This can have a significant impact on the total as elements continue to reach the end of their economic life and potentially some very high cost elements start feeding into our figures. The increasing use of a proactive approach to maintenance whereby mechanical plant in particular is identified for renewal before it actually fails means that more plant renewals and associated costs are feeding into our figures.

### 3.4 Performance Benchmarking

Adopting the NaPPMI PIs allows us to compare and benchmark our situation with other local authorities as well as to analyse our performance year on year. **Figures 3b** to **3d** below shows our latest published performance indicator results compared with data from other authorities collated through the IPF benchmarking club.

**Figure 3b:**  
Benchmarked Required Maintenance (£ / m<sup>2</sup> Gross Internal Area) as at 31.03.08

	<b>Required Maintenance £ / m<sup>2</sup> GIA</b>
Brighton & Hove City Council	£ 86.55 / m <sup>2</sup>
Other Authorities (mean average result)	£ 100.42 / m <sup>2</sup>
Other Authorities (highest result)	£ 246.00 / m <sup>2</sup>
Other Authorities (lowest result)	£ 7.00 / m <sup>2</sup>

**Figure 3c:**  
*% of Properties in Condition Categories A (Good) or B (Satisfactory) as at 31.03.08*

	<b>% of Properties in Condition Categories A or B</b>
Brighton & Hove City Council	80%
Other Authorities (mean average result)	79%
Other Authorities (highest quartile)	> 93%
Other Authorities (lowest quartile)	< 73%

**Figure 3d:**  
*% of Planned : Reactive Maintenance Spend as at 31.03.08*

	<b>Ratio of Planned to Reactive Spend</b>
Brighton & Hove City Council	78% : 22%
Other Authorities (mean average result)	55% : 45%
Other Authorities (highest result)	82% : 18%
Other Authorities (lowest result)	0% : 100%

Further details and our latest results are shown in our annual PPI reports published on our website at:

<http://www.brighton-hove.gov.uk/index.cfm?request=c1152664>.

### 3.5 Building Maintenance Aims

This document provides the strategic framework around which we identify, prioritise, plan, manage and monitor the maintenance of the city council's non-housing operational property stock. This includes civic offices, historic buildings, libraries, museums, leisure centres, farms, social care and schools buildings. Our key objective is to ensure that all council buildings are maintained in line with best practice and use of resources, that legal duties are met and that customer satisfaction is enhanced.

The strategy sets out how the council plans to achieve our AMP objectives and address our identified required maintenance in respect of our council maintained non-housing operational and non-operational properties with the three Building Maintenance Strategy Aims list below:

- Aim 1** Allocating funding to projects that will achieve the maximum positive impact on our most essential services by a clear and consistent process of prioritisation as described in **Section 6.3** below.
- Aim 2** Targeting a proportion of the available funding against our identified required maintenance total as described in **Section 6.4** below.
- Aim 3** Achieving maximum efficiencies in the way we procure building maintenance works as described in **Section 5.2** below.

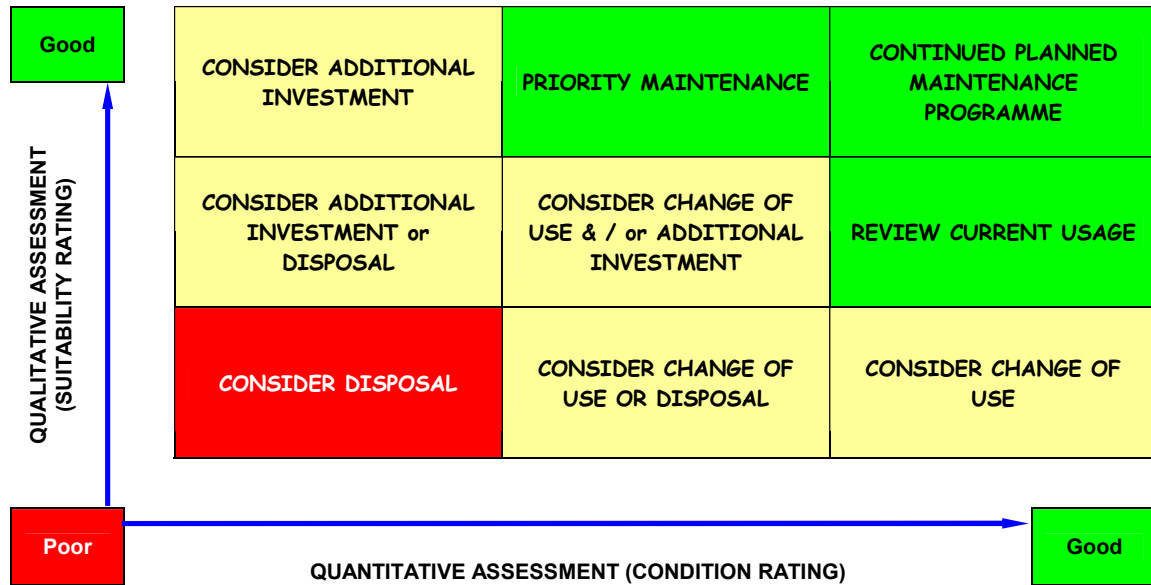
### 3.6 Property Performance Reviews (PPR)

In addition to condition and maintenance data, Property & Design also coordinate the collection of suitability data from building managers and service providers by means of a standardised questionnaire on each property which includes the following factors - location, accessibility, environmental, safety & security, capacity, facilities, appearance, contribution to service delivery and the property's ability to support future service delivery. Building manager responses are analysed and weighted and the resulting % score can be compared with other buildings in the same category.

The asset management team is aware that a building in poor condition may still represent a suitable building to the service department and vice versa and so a decision made on the basis of either condition or suitability in isolation may not necessarily be correct.

The team have therefore developed a decision matrix shown in **Figure 3e** below which plots the results of each building's PPR in two dimensions – condition and suitability - thereby allowing decisions to be taken on an overall picture. A property that rates poorly for condition and suitability will be identified for possible disposal, a property that is unsuitable for the current users but in reasonable condition will be identified for possible change of use and a property that is considered suitable but in poor condition will be identified for possible additional investment. A property that is both suitable and in reasonable condition will be identified for continued priority maintenance.

**Figure 3e:** The Property Performance Review (PPR) decision matrix



## 4.0 BUILDING MAINTENANCE ARRANGEMENTS

### 4.1 The Council's Arrangements for Building Maintenance

The council's arrangements for building maintenance work are set out in **Figure 4a** below indicating the responsibility for managing and funding work to each of the property portfolios.

This Strategy applies only to those portfolios where planned works are funded by the Schools, Corporate, Social Care and Farmlands Planned Maintenance Budgets as well as the Asset Management Fund all of which are managed by the Property & Design Division of the Finance & Resources Directorate and are discussed in more detail in **Sections 5.2** below.

The Strategy for planned maintenance of the council's housing stock and highways assets are set out in the Housing Asset Management Plan and Highways Asset Management Plan respectively.

### 4.2 Engagement With Client Departments

Property & Design provides asset management support to directorates undertaking service reviews including the preparation of Property Performance Reviews (PPRs) as described in **Section 3.6** above. These ensure that client departments and Directorate Management Teams (DMT) can make decisions on their occupied properties based on up to date and consistent condition, suitability and health & safety information.

Property related priorities are contained within individual Team Business Plans which feed into the client department's Directorate Development Plans. The central services resources necessary to support property reviews will be identified through the developing Business Compacts to be agreed annually between Property & Design and the client directorates.

Figure 4a: Property Maintenance Responsibilities

Portfolio	Client Directorate or Service Provider	Property Maintenance Responsibility	
		Reactive Works (day to day repairs)	Planned Works (planned & cyclical)
<b>Operational Properties</b>			
Civic Offices	Finance & Resources	Finance & Resources Property & Design	Finance & Resources Property & Design
Parks Buildings	Environment	Finance & Resources Property & Design	Finance & Resources Property & Design
Community Buildings	Finance & Resources	Finance & Resources Property & Design	Finance & Resources Property & Design
Cemeteries/Crematoria	Finance & Resources	Finance & Resources Customer Services	Finance & Resources Property & Design
Libraries	Culture & Enterprise	Culture & Enterprise	Finance & Resources Property & Design
Museums	Culture & Enterprise	Culture & Enterprise	Finance & Resources Property & Design
Seafront	Environment	Environment	Finance & Resources Property & Design
Sports & Leisure	Environment	Environment	Property & Design / Private Operators
Children's Social Care	Children & Young People's Trust	Finance & Resources Property & Design	Finance & Resources Property & Design
Adult Social Care	Adult Social Care & Housing	Finance & Resources Property & Design	Finance & Resources Property & Design
Schools	Children & Young People's Trust	Mainly Devolved to Schools	Finance & Resources Property & Design
Car Parks	Environment	Environment	Environment
Public Conveniences	Environment	Environment	Environment
Traveller's Site	Environment	Environment	Environment
Hostels	Adult Social Care & Housing	Adult Social Care & Housing	Adult Social Care & Housing
<b>Non-Operational Investment Properties</b>			
Urban Commercial	Finance & Resources	Generally Tenants Under FRI Leases	Generally Tenants Under FRI Leases
Seafront Commercial	Environment	Generally Tenants Under FRI Leases	Generally Tenants Under FRI Leases
Agricultural	Finance & Resources	Tenant Farmers	50% Property & Design 50% Tenant Farmers
<b>Housing Revenue Account Properties</b>			
Council Housing Stock	Adult Social Care & Housing	Adult Social Care & Housing	Adult Social Care & Housing

Main Budget Sources (see Sections 5.1.1 & 5.1.2 below)

	School Planned Maintenance Budgets		Corporate Planned Maintenance Budget		Social Care Planned Maintenance Budget
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## **4.3 Sustainability Issues**

### **4.3.1 Sustainable Construction**

The rising cost of energy is imposing a severe pressure on service budgets that are already stretched. At the same time the need to reduce our carbon footprint has led to our commitment to reduce energy consumption throughout our operational property portfolio with a consequent reduction in both cost and CO<sub>2</sub> emissions. New and improved technology has provided the opportunity for cost effective sustainable energy generation and we are committed to providing this where practicable and cost effective.

Our architectural and building surveying teams design sustainable buildings that include energy efficient measures such as sedum roofs, condensing boilers and grey water re-cycling. Property & Design have a commitment to investigate the potential use of wind turbines, ground source heat pumps, solar panels or other suitable sustainable energy generation source in all of our in-house designed new build schemes and we continue to explore other innovative methods of improving energy efficiency during all refurbishment and maintenance schemes.

Through our commitment to the Carbon Management Programme we have achieved improved efficiency of buildings through renewable energy efficiency measures. We have also installed low energy lighting to our main car park and commenced a programme of improved heating and ventilation controls and replacement of existing oil fired boilers with new, more efficient gas boilers.

Our three year Corporate Plan targets are:

- To continue to investigate and implement sustainable solutions within our new-build and maintenance programmes of work including energy efficiency measures and re-cycling of materials.
- To reduce carbon emissions and deliver energy and financial savings through our carbon management programme.

### **4.3.2 Sustainable Procurement**

In addition to our procurement methods discussed in Section 5.1 below, we are also pursuing the following sustainable procurement initiatives within our building maintenance works contracts:

#### Constructing Futures Apprenticeships and Other Initiatives

In order to promote sustainability of the construction industry within Brighton & Hove the Council is fully committed to the following initiatives working with City College and the Constructing Futures Forum to develop and deliver:

- Specifications for construction companies to provide apprenticeship training.
- Apprenticeship schemes within agreements for major projects.
- Procurement carried out under OJEU regulations to include tender evaluation models that encourage and support apprenticeships, skills training and development.

#### SME Concordat

The Council are working with local contractors through the Small and Medium Sized Enterprise (SME) Concordat to encourage effective trade between the Council and small businesses.

## 5.0 ENSURING VALUE FOR MONEY

### 5.1 Procurement of Construction Works

#### 5.1.1 Strategic Construction Partnership

Property & Design pioneered a five year strategic partnership in 2003 with a local constructor including quantity surveying and structural engineering consultancy services procured through the Egan principles outlined in the Rethinking Construction initiative. As a result the Council was cited on the DTI website as an example of best practice. Since 2003 projects to a value of £12.6m have been procured through the partnership mainly for education new-build projects but also including civic office refurbishment works. Performance of the partnership has been monitored through contract performance indicators including customer satisfaction surveys to demonstrate continuing value for money. Due to its success and value for money a further five year strategic partnership has been tendered following EU regulations that commenced in 2008 for contracts worth approximately £20-25m. A value for money analysis has been completed to compare both procurement exercises and this demonstrates that continuous improvement has been achieved with a projected saving of circa £190k over the five years.

#### 5.1.2 Framework Agreements

Property & Design are currently (2009) undertaking a feasibility study on future procurement options for our annual planned maintenance programme across the planned maintenance budgets referred to in **Section 5.2** below with a view to introducing framework agreements from 2009-10. This will reduce reliance on our existing approved lists, reduce the pre-contract programming stages and allow us to explore further supply chain economies and improvements and any potential reductions in transactional costs (i.e. tendering). We are also exploring the option of using the national *Constructionline* database as a replacement for our approved lists.

#### 5.1.3 Improvement & Efficiency South East (IESE)

IESE (formerly SECE) is one of nine regional centres of excellence established by the former Office of the Deputy Prime Minister (ODPM) to support the implementation of the National Procurement Strategy and the delivery of efficiency targets. One of the IESE work streams, being led by Hampshire County Council, is the introduction of framework agreements for the procurement of construction projects between £100k and £30m+ in value that each of the participating authorities within the IESE area can use. B&HCC have been represented on both the collaborative working project board and the delivery group. This work has resulted in the successful commencement of a Tier 1 framework agreement for works between £1m and £30m. Tier 2, for works between £500k and £3m, commenced in February 2009 with Tier 3 (works between £100k and £750k) becoming available during 2009.

#### 5.1.4 Procuring Professional Services

Property & Design has a number of in-house professional service teams including Building Surveying and Maintenance, Building Services, Architecture & Design, Asset Management and Estates Surveyors. The external consultant - NPS Property Services Ltd - are contracted to provide building surveying and mechanical & electrical engineering professional services for Education and Social Care Buildings. This contract commenced in 2005 for five years with the option to extend for a further two years.

### 5.2 Building Maintenance Resources & Budget Planning

#### 5.2.1 The School's Planned Maintenance Budgets

**Figure 3a** in **Section 3.2** shows that the current (2008) total required maintenance for schools is £33.9m over five years with 8.5% classified as Priority One works. Attention is drawn however to the caveats listed in **Section 3.3** which highlight the future fluctuations that can occur in the stated total.

The plan to address the required maintenance for schools is reported to Members through the Children & Young People's Trust Board and, following Board Member approval, to Cabinet. The most recent reports for the Schools 2008/09 capital programme were submitted to the Board on 17<sup>th</sup> March 2008 and then to P&R Committee on 3<sup>rd</sup> April 2008.

The plan shows the allocation of capital funding for schools for the period 2007/8 to 2010/11 used to assist and address maintenance issues as summarised in **Figure 5a** below:

**Figure 5a: Summary of Approved Capital Repair & Improvement Expenditure for Schools**

Approved Funding Allocation Schools	2008/09 funding	2009/2010 funding	2010/2011 funding	Totals
Structural maintenance	£0.92m	£0.92m	£0.92m	<b>£2.76m</b>
Modernisation	£1.97m	£2.23m	£2.30m	<b>£6.50m</b>
New pupil places	£0.67m	£0.67m	£0.67m	<b>£2.01m</b>
Access initiatives	£0.37m	£0.37m	£0.37m	<b>£1.11m</b>
Devolved formula capital	£2.94m	£2.88m	£2.88m	<b>£8.70m</b>
Locally controlled voluntary aided school projects (LCVAP)	£1.02m	£1.02m	£1.02m	<b>£3.06m</b>
Primary capital programme	-	£3.07m	£5.45m	<b>£8.52m</b>
Targeted capital fund	-	£2.00m	£6.00m	<b>£8.00m</b>
<b>TOTALS:</b>	<b>£7.89m</b>	<b>£13.16m</b>	<b>£19.61m</b>	<b>£40.66m</b>

Required maintenance is mainly addressed through the structural maintenance annual allocation with the three budgets for modernisation, new pupil places and LCVAP incorporating some maintenance requirements. There is a co-ordinated approach between new capital projects and required maintenance to ensure, through consultations with individual schools, that these are included in any modernisation plans, hut replacements or new builds on a needs basis. This approach also applies to devolved formula capital which we also try to draw into our projects and to local voluntary aided school resources that the authority receives.

The plan provides for priority 1 works to be completed first followed by priority 2 and then priority 3 to ensure that funds are addressing the most serious issues first.

The Council have also formulated an eight year plan to address the level of required maintenance at each school. This information is updated and made available to all schools via the Council's education intranet and can be used by individual schools in the production of their School Development Plans. Whilst Council's are encouraged to maintain a "light touch" in respect of the Devolved Formula Capital, all schools are encouraged to refer to this plan and factual condition data when allocating their own devolved funds.

The eight year plan is currently being updated and the final version will then be presented to the Executive Member for the CYPT. The draft version has already been consulted on.

#### **Primary Strategy for Change**

The Council has developed a Primary Strategy for Change which aims to provide new, re-modelled or refurbished primary school accommodation through the Primary Capital Programme (PCP) over a fourteen year period. Funding for the PCP commences in 2008/09 and the Council's allocation totals £8.5m in the first two years. This funding stream will assist in supporting the reduction in required maintenance to this part of our portfolio.

The Strategy has been widely consulted on and was approved at the CYPT Cabinet Member Meeting on 8<sup>th</sup> September 2008.

#### **Building Schools for the Future (BSF)**

In line with the Primary Capital Programme, BSF funding will provide similar opportunities to reduce the maintenance requirement for the secondary schools sector. The Council submitted an expression of interest in November 2008 for funding totalling £200m in two tranches. Again there is a co-ordinated approach to ensure that all opportunities to address maintenance issues in capital projects are taken.

### 5.2.2 Operational Property Planned Maintenance Budgets

**Figure 3a** in **Section 3.2** shows that the current (2008) total required maintenance for operational buildings is £17.7m over five years with 8.5% classified as Priority One works. Attention is drawn however to the caveats listed in **Section 3.3** which highlight the future fluctuations that can occur in the stated total.

The plan to address the required maintenance for operational properties is reported to Members through Cabinet. The most recent report for the “Planned Maintenance Budget Allocation 2009/10 and Programme of Works for the Council’s Operational Buildings” (which includes the corporate planned maintenance and the social care planned maintenance budgets) was submitted to Cabinet on 12<sup>th</sup> March 2009. The report for the “Asset Management Fund 2009/10” was due for submission to Cabinet on 23<sup>rd</sup> April 2009. The anticipated allocation of funding for operational property maintenance and improvement for the period 2008/9 to 2010/11 is summarised in **Figure 5b** below:

**Figure 5b:** Summary of Anticipated Three Year Repair & Improvement Expenditure for Operational Buildings

Approved Funding Allocation Operational Buildings	2008/09 funding	2009/2010 Funding	2010/2011 funding	Totals
Corporate Planned Maintenance Budget	£3.40m	£3.45m	£3.50m	<b>£10.35m</b>
Social Care Capital Planned Maintenance Budget	£0.50m	£0.50m	£0.50m	<b>£ 1.50m</b>
Social Care Revenue Planned Maintenance Budget	£0.10m	£0.10m	£0.10m	<b>£ 0.30m</b>
Asset Management Fund	£1.00m	£1.00m	£1.00m	<b>£ 3.00m</b>
<b>TOTALS:</b>	<b>£5.00m</b>	<b>£5.05m</b>	<b>£5.10m</b>	<b>£15.15m</b>

The method of prioritisation of works within these budgets is set out in **Section 6.0** below.

#### The Corporate Planned Maintenance Budget

The Corporate Planned Maintenance Budget (PMB) provides for the planned maintenance of all civic, historic, leisure, libraries, museums, environment, seafront and commercial buildings where the council retains a repairing obligation. This budget currently stands at £3.4m (at 2008) which includes all measured term maintenance servicing contracts and consequential repairs.

#### The Social Care Planned Maintenance Budget

The Social Care Planned Maintenance Budget provides for the maintenance of the Council’s social care service split between the Children & Young People’s Trust and Adult Social Care & Housing. This includes residential care homes, day centres, patch offices and supported accommodation. The total available budget currently stands at £0.6m per annum (at 2008) which includes all measured term maintenance servicing contracts.

#### The Asset Management Fund (AMF)

The AMF is a £1m (at 2008) annual capital fund to support property improvements, address property related health & safety requirements and achieve access improvements under the Disability Discrimination Act 1995 to our operational building portfolios.

### 5.2.3 Non-Operational Property Planned Maintenance Budgets

**Figure 3a** in **Section 3.2** shows that the current (2008) total required maintenance for non-operational buildings is £2.4m over five years with 3.6% classified as Priority One works. Attention is drawn however to the caveats listed in **Section 3.3** which highlight the future fluctuations that can occur in the stated total.



Additional budgets exist for planned maintenance of our agricultural property portfolio and our commercial portfolio where the council retains a maintenance liability.

### 5.3 Further Initiatives

Property & Design have robust links with the in-house Corporate Health & Safety Team. The two teams have reviewed our statutory compliance arrangements and as a result have achieved funding for the:

- Employment of two additional Compliance Officers dedicated to the areas of Fire Safety within Schools and Social Care establishments.
- Employment of an additional Compliance Officer dedicated to the area of asbestos management.
- Employment of a Legionella Officer within the Property & Design Building Services team to manage L8 duties across our operational property portfolios.
- Purchase of a new web-based Asbestos Register available with live data to all building managers and contract officers to assist in ensuring compliance with the Control of Asbestos Regulations.
- Purchase of a web-based Fire Safety and Water Hygiene database to assist in ensuring compliance with new legislation.

and in addition:

- Employment of a Technical Access Manager to ensure the council continue to improve access to it's buildings in accordance with the DDA.

## 6.0 PRIORITISATION & PROGRAMME SETTING

### 6.1 Setting Priorities

There are many conflicting calls on our existing maintenance budgets described in **Section 5.0** above. The key aim of this strategy is to provide a consistent framework for prioritising works to ensure that budgets are targeted correctly using the following criteria:

**Priority A Works** These are statutory and legislative requirements where non-compliance would result in severe health and safety implications or closure of the building. Funds for works necessary for compliance are therefore top-sliced from the respective budgets.

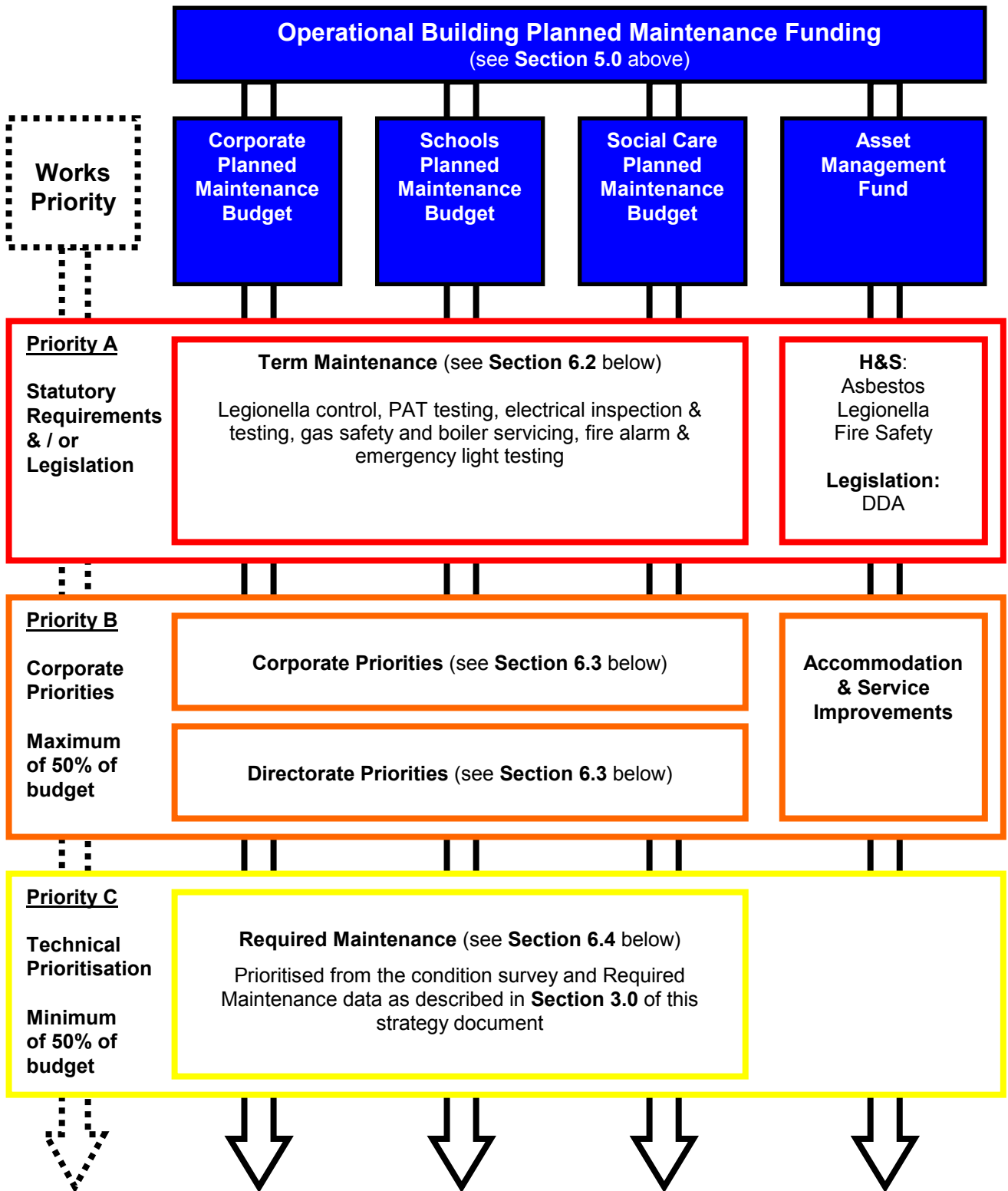
**Priority B Works** These are works considered by our client service departments as essential to achieve corporate or operational service objectives. Such works may or may not have already been identified as high priority through the technical prioritisation of the condition surveys and therefore may assist in reducing the level of total Required Maintenance.

We aim for a maximum of 50% of the residual budget (after deducting priority A compliance works) to be spent on this category of work.

**Priority C Works** These works are prioritised through the rolling programme of condition surveys described in **Section 3.2** above. The total cost of priority work exceeds the annual budgets available and a method has therefore been adopted for targeting the available funds to the properties with the greatest benefit to service delivery as described in **Section 6.4** below. Maintenance spend within this category will address the level of corporate Required Maintenance and as such we aim to spend a minimum of 50% of the residual budgets (after deducting priority A compliance works) on this category of work.

This budget prioritisation process is shown in **Figure 6a** and described in more detail in **Sections 6.2 to 6.4** below.

Figure 6a: The Budget Prioritisation Process



## 6.2 Priority A – Statutory Works

Statutory compliance includes the costs associated with Legionella control, PAT testing, electrical inspection & testing, gas safety and boiler servicing, fire alarm & emergency light testing, management of asbestos materials and DDA compliance in terms of public access to our operational buildings. This work is of the highest priority as non compliance may affect the health and safety of our employees, service users or visitors and / or result in the closure of the property.

## 6.3 Priority B – Works to Achieve Corporate / Operational Objectives

Our building maintenance budgets should be targeted wherever possible on achieving and supporting our corporate and service objectives. Sometimes the works necessary to achieve these objectives are not identified through our normal condition survey process as they may not fall within the highest priority on a purely technical assessment. For example an annual budget of £50k is currently allocated from the corporate planned maintenance budget for internal redecoration and limited internal refurbishment to the council's key operational civic buildings.

Client departments are invited to submit bids for works they consider essential to meet corporate or service priorities for consideration by Property & Design within the respective budgets. To be considered, such bids must identify the corporate or service objective they are targeted at by reference to specific objectives within either the corporate, directorate development or service business plans.

A maximum of 50% of the residual maintenance budget (after Priority A works are committed) is to be allocated against Priority B works.

## 6.4 Priority C – Works Related to Condition

Those responsible for allocating planned maintenance budgets and associated programmes are to use factual condition data and the following matrices to formulate their annual programmes of work wherever possible. Depending upon the size of each budget portfolio, programmes can be formulated utilising either elemental defects or identified projects per property or for larger portfolios use the overall property rating to identify which buildings need to be prioritised for maintenance works. The methodology proposed is to be agreed with the Corporate Asset Management Group. A minimum of 50% of the residual maintenance budget (after Priority A works are committed) is to be allocated against Priority C works. These works will be used to address the total Required Maintenance figure reflected in NaPPMI PPI 1b.

The matrices described below are to be used a flexible tool to provide an auditable, cohesive method of ensuring best use of maintenance resources.

### 6.4.1 Property Prioritisation Rating

To ensure that limited maintenance resources are targeted at the right buildings, in conjunction with our client departments each of our assets will be allocated a rating **S1** to **S5** to reflect their relative importance in respect to the council's corporate and service priorities as follows:

- S1** Core Service Property 1 - a critical or high profile asset to be in the best possible condition, e.g. a main civic office or the Royal Pavilion.
- S2** Core Service Property 2 - asset to be in good condition both operationally and aesthetically, e.g. other office visited by the public, leisure centre, residential home or listed building with grade 2\* listing.
- S3** Core Service Property 3 - asset to be in reasonably good condition that meets operational and statutory requirements, e.g. a day centre or other listed building.
- S4** Non-Core Service Operational Property - asset to be in a condition to meet minimum operational and statutory requirements, e.g. a works depot or parks pavilion.
- S5** Non-Core Service Non-Operational Property - asset to meet statutory requirements, e.g. a property declared surplus and awaiting disposal.

### 6.4.2 Property Condition Rating

Our rolling programme of condition surveys will identify elements of work required each of which will be prioritised using the standard condition ratings **A** to **D**:

- A** Good - performing as intended and operating efficiently.
- B** Satisfactory - performing as intended but with minor deterioration.
- C** Poor - not performing as intended and/or with major deterioration.
- D** Life Expired - life expired and/or with serious risk of failure.

**6.4.3 Property & Condition Prioritisation Matrix**

Depending on the relative importance of the property asset each element of work is given a RAG rating based on **Figure 6b** below.

*Figure 6b: The Property & Condition Prioritisation Matrix*

		Condition Rating			
		D	C	B	A
Property Rating	S1	Red	Red	Red	Amber
	S2	Red	Red	Amber	Green
	S3	Red	Amber	Amber	Green
	S4	Amber	Amber	Green	Green
	S5	Amber	Green	Green	Green

**6.4.4 Works Priority Rating**

Works identified in the condition survey report will be given a priority rating **1** to **3**.

- 1** Urgent work that will prevent immediate closure of the property, address an immediate high Health & Safety risk and / or remedy a serious breach of legislation.
- 2** Essential work required within 2 years that will prevent serious deterioration of the fabric of the property or associated services , address a medium Health & Safety risk and / or remedy a less serious breach of legislation.
- 3** Desirable work required within 3 to 5 years that will prevent deterioration of the fabric of the property or associated services, address a low Health & Safety risk and / or remedy a minor breach of legislation.

**NB:** Where condition surveys identify priority 1 works these are reported without delay to Building Managers and if practical addressed through reactive maintenance works.

**6.4.5 Decision Matrix**

This final matrix (**Figure 6c** below) is used to determine the relative need to progress with the identified works and provides a clear, auditable process for allocating maintenance resources linked to our NaPPMI PPI1b for Required Maintenance with Red works given priority over Amber and Green. By targeting expenditure in this way we can ensure that the priority items in our required maintenance reduce year on year.

*Figure 6c: The Decision Matrix*

		Condition Survey Prioritisation (see Section 6.4.4 above)		
		1	2	3
Property & Condition RAG Rating (see Section 6.4.3)	RED	Red	Red / Amber	Amber
	AMBER	Red / Amber	Amber	Green
	GREEN	Amber	Green	Green

## 7.0 BUILDING MAINTENANCE TARGETS

### 7.1 Targets For 2008 to 2011

In order to monitor our progress towards the objectives detailed within our Building Maintenance Strategy as discussed in **Section 3.5** above, the Corporate Asset Management Team have agreed the following targets covering the period 2008 to 2011. These targets are to be reviewed annually by the Corporate Asset Management Team and updated to ensure that this strategy remains a live tool enabling managers to improve the prioritisation and use of maintenance resources.

*Figure 7a: Our 2008-2011 Building Maintenance Targets*

Building Maintenance Strategy Target		Target Date
<b>Building Maintenance</b> <b>Allocating funding to projects that will achieve the maximum positive impact on our most essential services</b> <b>Aim 1:</b>		
A.	All operational properties are to be allocated a property prioritisation rating S1 to S5 (see <b>Section 6.4.1</b> above).	October 2009
B.	95% of operational properties rated S1 or S2 are to have an overall condition rating of A (good) or B (satisfactory).	April 2011
C.	All operational properties are compliant with current legislative & statutory requirements.	Continuous
<b>Building Maintenance</b> <b>Targeting a proportion of the available funding against our identified required maintenance total</b> <b>Aim 2:</b>		
D.	Condition surveys will be undertaken of all of our operational properties every five years on a 20% rolling programme.	Continuous
E.	The Council maintains a minimum level of 70% of available maintenance expenditure on planned maintenance.	Continuous
F.	An agreed % of our operational buildings which are open to the public will be DDA compliant in accordance with the definitions in BVPI 156.	70% by April 2009 75% by April 2010
G.	All operational building planned maintenance works / budgets will be prioritised in accordance with this strategy.	April 2010
H.	Targets for our NaPPMI PPIs (see <b>Section 3.0</b> ) are reviewed annually by the Corporate Asset Management Team and results are published on our website (see <b>Section 3.4</b> above).	Continuous
<b>Building Maintenance</b> <b>Achieving maximum efficiencies in the way we procure building maintenance works</b> <b>Aim 3:</b>		
I.	Agree future procurement options for the operational building planned maintenance budgets.	July 2009
J.	Commence procurement using agreed processes on a trial basis.	2009 / 2010
K.	Continue to support IESE and other collaborative working arrangements wherever opportunities arise.	Continuous

