

Subject:	Planned Maintenance Budget Allocation 2016-17 and Programme of Works for the Council's Operational Buildings		
Date of Meeting:	17 March 2016		
Report of:	Acting Executive Director of Environment, Development & Housing		
Contact Officer:	Name:	Angela Dymott Martin Hilson	Tel: 29-1450 29-1452
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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 2016-17 allocation of essential repair works to civic offices, historic, operational and commercial buildings within the Corporate Planned Maintenance Budget of £3,051,150 and the Social Care Planned Works Budget of £500,000.
- 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 £3,551,150; 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

Asset Management

- 3.1 The council's Corporate Property Strategy & Asset Management Plan 2014-2018 (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.

- 3.2 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 invested through prioritisation and targeted at our key operational assets to meet service delivery needs and maintain the value of our key assets.
- 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. Financial controls applied in 2015/16 meant a substantial £275,000 cut in the annual programme that increases our prioritised volumes of required maintenance. This is further compounded by this planned maintenance budget being squeezed on both sides; having no formalised capital investment programme to replace life-expired buildings and structures sitting above and a reduction in routine maintenance servicing budgets below.
- 3.4 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 manages 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. Examples being the King Alfred and the Brighton Centre. Our key aim is to avoid reaching a critical tipping point whereby our maintenance backlog figure is not containable. With reducing budgets and financial controls on all bar essential maintenance, 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.
- 3.5 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.
- 3.6 In accordance with the council's 50 year lease agreement with the trustees of the Dome Complex that commenced in 1999, £199,955 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

- 3.7 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 new asset data management software Atrium that centralises all property related information. Subject to current financial controls being reviewed a refresh of condition survey data is planned to be undertaken in 2016-17 to ensure a robust assessment of the council's 5-year requirement for planned maintenance.

Procurement of Planned Maintenance

- 3.8 Contract Standing Orders revised in 2015 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. This is likely to increase as we build upon existing partnerships with the possible Orbis arrangement. Lower value planned maintenance projects that are well defined, and simplistic in nature, are procured using traditional competitive tendering to achieve best value.

Procurement of Term Maintenance & Servicing Contracts

- 3.9 This budget includes an allocation to fund routine maintenance and servicing contracts an integral part of good planned maintenance practice. This includes mechanical and electrical, lifts and water hygiene maintenance. One of 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.

Summary of Annual Programme

- 3.10 The financial allocation to each Client area is listed within appendices 2 and 3. Examples of planned maintenance works in the corporate programme include external repairs and redecoration to the Royal Pavilion, Palace Place and Northgate House to help protect the historic fabric of these listed buildings. There are also structural repairs to remedy cracking to the historic India Gate. Seafront railings are redecorated on a rolling programme. A sum funds the

installation of temporary fencing along Madeira Drive, currently in progress, to protect the public from risk of failure to Madeira Terrace whilst solutions are being sought. Following the successful Workstyle internal refurbishment of Bartholomew House the external fabric refurbishment programme continues with further works to windows and cladding. Essential roofing repairs are proposed to Brighton Town Hall to reduce damaging rainwater ingress. An allocation has been made to support the replacement of life-expired swimming pool plant at the Prince Regent.

* The recent storm repairs to the King Alfred roof are covered under insurance budget provisions.

There are also various allocations that support the replacement of life expired mechanical and electrical systems across the buildings. It should be noted that the corporate fabric maintenance, mechanical and electrical contracts cover all the property types in Appendix 2. Each Client area also has a sum allocated for Health and Safety management works which helps support service providers to progress any prioritised remedial works throughout the course of a year. This could include alterations to meet recommendations of a Fire Risk Assessment. 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, installing hoists, resurfacing and internal redecorations. There are also allocations to fund external repairs and redecorations, refurbishing and replacing windows.

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.

5. COMMUNITY ENGAGEMENT & CONSULTATION

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

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.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The council's revenue funded Planned Maintenance Budget for 2016-17 provides a total of £3,051,150 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 2016-17 capital programme. A permanent annual contribution has been top sliced of £145,200 toward financing costs for the stoneworks at the Royal Pavilion and a contribution toward the Dome Complex sinking fund of £199,955 has also been top sliced from the Planned Maintenance Budget. The Planned Maintenance Budget for 2016/17 includes a one-off capital contribution of £100,000 toward replacement of mechanical equipment at the Prince Regent , this was detailed in the Capital Investment Programme report to Policy & Resources Committee on 11th February 2016. 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 essential repair works to Social Care premises. The proposed budget allocation is shown in Appendix B to this report. This is funded from borrowing with the financing costs met corporately within the general fund revenue budget.
- 7.3 The programme of works set out in the appendices can be funded from within the agreed budget allocations for 2016-17. 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 2017-18.

Finance Officer Consulted: Rob Allen

Date: 25/01/16

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 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.

Lawyer Consulted: Isabella Sidoli

Date: 22/01/16

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:

- 7.7 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 2016-17
3. Proposed Social Care Planned Works Budget Allocation 2016-17

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:

- 1.3 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.

Corporate / Citywide Implications:

- 1.4 The maintenance and repair 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 2016-17

Property Type	Examples of works and properties covered	Client Officer	Budget Allocation
Corporate - Building	Asbestos testing & fees	All	£50,906
Corporate - Fabric maintenance contracts, Mechanical and Electrical	Clearance of roofs, gutters, graffiti removal, boilers, legionella control, lifts, electrical testing & maintenance	All – corporate contracts cover all property types - historic, leisure, libraries, Brighton Centre etc.	£824,939
Historic	Royal Pavilion (including £145,200 annual financing costs for stonework project), Brighton Museum & Northgate House	Tim Thearle	£616,200
Dome	General maintenance	Dome	£199,955
Leisure	Prince Regent, paddling pools & Withdean complex	Kerry Taylor	£303,000
Libraries	Various libraries	Sally McMahon	£54,000
Seafront	Seafront maintenance, Volks Railway & Madeira Terrace (including temporary protective fencing)	Toni Manuel	£283,850
Amenity	Parks buildings, cemeteries & memorials	Peter Wickson	£130,000
Civic	Bartholomew House & Brighton Town Hall	Martin Hedgecock	£259,600
Hollingdean Depot	Hollingdean Depot	Jan Jonker	£50,000
Commercial	Industrial House & misc. Landlord obligations	Jessica Hamilton	£112,200
Venues	Brighton Centre	Howard Barden	£166,500
TOTAL			£3,051,150

Proposed Social Care Planned Works Budget Allocation 2016-17

Property Type	Examples of works covered	Prioritisation	Budget Allocation
Social Care Premises	Mechanical –replacement boilers & heating controls	Condition survey & energy efficiency measures	£23,100
	Internal Refurbishment – to meet hygiene regulations & address H&S issues	Statutory & condition survey	£145,200
	External Refurbishment – window replacement, external repairs & refurbishment	Condition survey	£293,200
	Fire Precautions – works identified through fire risk assessments	Statutory	£33,000
	Electrical – lighting replacement & automatic doors	Condition survey	£5,500
TOTAL:			£500,000