

Decision maker:	Cabinet member contracts and assets
Decision date:	Friday 15 June 2018
Title of report:	Property services planned, reactive and capital maintenance programme 2018/19.
Report by:	Strategic property services manager

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose and summary

The purpose of this report is to approve the expenditure of the planned, reactive and capital maintenance budgets for 2018/19 to spend on the council's property assets to maintain them so they are fit for purpose, compliant and their value is protected

Recommendation(s)

That:

- (a) **the 2018/19 planned maintenance and reactive budgets of £2.538m respectively split as shown on appendix B, and is spent to allow for the continuing upkeep and maintenance of the council's 175 key property assets and also to allow the council to fulfil its obligations to carry out statutory compliance inspections as noted in appendix A and related remedial works**
- (b) **the 2018/19 capital maintenance budget of £1.765m is spent on a programme of prioritised projects necessary for the upkeep and continued use of council's property assets**

Alternative options

1. If both planned and reactive maintenance is not carried out or reduced below required thresholds due to inadequate funding, property assets will be liable to deteriorate and potentially be in breach of legislation which will have an impact on any services located in such properties, to the extent that they may have to be closed and service delivery would be severely impacted.
2. Should no statutory checks and subsequent planned remedial work not Forward Plan: Please could you add 'Procurement of Construction and Facilities Management Services' for Cabinet decision 11 October 2018, along with Management Board and Leaders briefing beforehand be undertaken especially in buildings which house council employees, third parties and visitors, the council may be liable should an individual be found to have been injured or suffered loss as a result of the council not carrying out its statutory obligations.
3. Without adequate expenditure on a programme of prioritised capital maintenance property assets will deteriorate which will ultimately render them no longer fit for their intended purpose and will have a negative consequential impact on the value of the estate.

Key considerations

4. The planned maintenance programme incorporates the inspection of property assets such as offices, libraries and public buildings to ensure they are compliant with legislation e.g. asbestos in buildings, legionella testing, and the related expenditure to ensure properties adhere to statutory requirements. Prioritisation of expenditure is therefore primarily based upon the degree of action required to meet statutory compliance to ensure properties are safe and secure environments. There are varying cycles of inspection e.g. fire alarm service testing is done annually, as the inspections/tests are generally determined by legislation (aside from good practice).
5. The reactive maintenance budget is allocated to maintenance expenditure which is not predicted but is provided for incidents which are known to occur e.g. a leaking water pipe in a building. Prioritisation is therefore based upon the impact and urgency of the incident. The capital maintenance programme incorporates a number of small works projects e.g. roof replacement, which are prioritised based upon criteria incorporating

statutory compliance, service continuity, condition and economic efficiency data, and takes into account known property and business strategy. The programme of work for 2018/19 is attached at appendix a.

6. There are 175 property assets (excluding schools) which are maintained under the three budgets (planned, reactive and capital). With regard to key operational assets such as offices, libraries etc. data is held on the condition of the fabric and services (mechanical and electrical) which is subject to review in order to ensure it remains relevant.
7. The overall effectiveness of the expenditure on planned maintenance is that properties remain compliant and the regime of inspection and testing ensures that non-compliance issues are addressed and do not require further action. There are various types of inspection and testing and the frequency basis of each is carried out with regard to statutory requirements and risk assessment.
8. The effectiveness of expenditure on reactive maintenance is, in the immediate sense, easy to measure e.g. a leaking pipe is fixed. Monitoring of high volume call outs to properties is used to assess whether there are inherent problems with particular properties which therefore require detailed inspection.
9. Information on the condition of operational buildings used to determine the prioritisation of capital maintenance was compiled in 2016 and remains relevant, however a programme to update the data on a cyclical basis is being planned.
6. The budget is monitored monthly to ensure expenditure is kept in line with projected spending limits and is identified in appendix B (budget split) and appendix A (schedule of planned maintenance inspections and checks carried out on assets). The activities listed in appendix A are reflect current practice and will be continued in 2018/19. Continuing to carry out these planned activities and services will for example allow the life of equipment within buildings to be extended and ensures their efficient running will help keep energy costs down.
7. Cyclical Maintenance which includes statutory and compliance requirements is procured through the current building maintenance contract by means of one order on business world which is approved at Director level. The principles of best value are observed throughout this contract and value for money is fundamental to the procurement activity Herefordshire Council carries out. Thus, on medium value works (+£25,000) the provider has to consult with at least 3 sub-contractors in their supply chain in order to procure the most appropriate (based on quality and cost). This ensures Herefordshire Council are getting value for money for works going through the contract.
8. Whereas on high value works where services or supplies is anticipated to be more than £100,000 a formal tendering exercise will be undertaken in line with the OJEU regulations. Additionally Herefordshire Council regularly benchmarks itself against other Local Authorities in order to maintain an outcomes led Value for Money Approach.

Community impact

9. Ensuring that property assets are maintained and compliant will mean that they are fit for purpose and safe environments for visitors and members of the public in so far as they comply with Health and Safety legislation.

10. Property assets that are correctly maintained will, as appropriate, be open and accessible to the public.
11. The council is committed to providing a healthy and safe environment for all individuals impacted by the council's funded activities. The council endeavours to ensure that the work they and their partners undertake, does not adversely affect the health, safety or welfare of members of the public especially visitors. Therefore council partners are expected to work to the same health and safety standards and codes of practice as the council, as far as is reasonably practicable. This requirement will be included in the final contract terms with the successful contractor and be part of the ongoing contractor review meeting agendas

Equality duty

12. The planned maintenance budget takes into account keeping buildings compliant and ensuring they are accessible for persons with disabilities.

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
13. Ensuring that statutory compliance checks are undertaken will ensure that the council's equality responsibilities are met in so far as the physical built environment is managed in such a way as to comply with the Equality Act.

Resource implications

14. Expenditure of the 2018/19 planned maintenance programme is in line with the medium term financial strategy and the revenue base budget. Capital budget of £174k has rolled over from 2017/18 in respect of work in progress.

Legal implications

15. In common with any other landowner or occupier in the UK, the council has a number of legal obligations which make it a necessity to undertake regular maintenance on council-owned or operated properties. These obligations including the Health and Safety at Work Act 1974, the Building Act 1984 and the Equality Act 2010 and related legislation. The council could be at risk of criminal proceedings and/or civil claims should buildings not be maintained to lawful standards.

Risk management

16. The following risk and mitigations have been taken into account when considering the spend of the planned maintenance budget.

Risk / opportunity	Mitigation
Not having a maintenance and reactive budget for buildings will contribute to the deterioration of property assets	Any budgets allocated to maintenance and reactive works will help to extend the life of the property asset and its value
Any deterioration of a building may result in its closure and affect those services delivering a service out of them.	A maintenance budget will help allow pay for work that will ensure the building is fit for purpose and keep services running.
Not having a maintenance budget to spend on buildings will impair the asset from being kept compliant	Repair works will keep buildings compliant and safe to users, the public and visitors.

Consultees

17. Political group leaders have been consulted and no comments were received.

Appendices

Appendix A – Cyclical activity schedule frequency

Appendix B – 2018-19 budget split

Background papers

None identified.