

Decision maker:	Cabinet member contracts and assets
Decision date:	Monday, 25 March 2019
Title of report:	Property Services Planned and Reactive Maintenance Programme 2019/20
Report by:	Capital programme and maintenance 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.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

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

To agree the property services planned and reactive maintenance programme 2019/20 to ensure the continuing upkeep, improvements and maintenance of the council's property assets and also to allow the council to fulfil its obligations to carry out statutory compliance inspections and related remedial works.

The maintenance budget of £2.438m is to be spent on the continuing upkeep and maintenance of the council's 270 key property assets and also to allow the council to fulfil its obligations to

carry out 47 various types of statutory compliance checks and best practice inspections so as to maintain a safe environment for the users of the buildings and the upkeep of the property.

Recommendation(s)

That:

- (a) **the 2019/20 cleaning, planned and reactive maintenance budget of £2.438m be allocated as follows and as set out in appendix B:**
- **£679,200 on cleaning;**
 - **£176,820 on statutory compliance inspections;**
 - **£354,800 on cyclical planned and reactive maintenance;**
- (b) **the assistant director for technical services be authorised to take all operational decisions necessary to implement the above recommendation and spend within the approved budgets.**

Alternative options

1. If 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. If the council's key property assets are not cleaned regularly they will become unsuitable, un-hygienic and not fit for use by staff, visitors and the public.
3. Should statutory checks and subsequent planned remedial work not be carried out 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.
4. Without adequate expenditure on a programme of maintenance work, 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

5. 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 ensures properties adhere to statutory requirements and are cleaned. 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).

6. Reactive maintenance works covers incidents that occur on a day to day basis and are unpredicted but needs to be carried out to maintain the council's buildings to keep them fit for purpose and ensure they are safe and secure environments. Prioritisation of these works are based upon the impact and urgency of the incident. There are 270 property assets (excluding schools) which are cleaned, maintained and improved under these budgets. 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 certifies 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. The programme of statutory inspection work for 2019/20 is attached at appendix A and the activities reflect current industry practice.
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 and more robust remedial work.
9. Information on the condition of operational buildings used to determine the prioritisation of capital maintenance was compiled in 2016 but is now dated and risks not being relevant. However proposals to update the data through new condition survey reports is in hand. The reports are scheduled to be completed and evaluated by 30th May 2019 so a planned preventative maintenance programme can be established which will help reduce unplanned reactive maintenance.
10. The budget is monitored monthly to ensure expenditure is kept in line with projected spending limits and is identified in appendix B (budget split). Continuing to carry out these planned activities will allow the life of mechanical and electrical equipment within buildings to be extended and ensures their efficient running will help keep costs down.
11. The cyclical maintenance and cleaning service which includes statutory and compliance requirements is delivered through the current building maintenance and cleaning service contract. The contract model is NEC3 (New Engineering Contract, or Engineering and Construction Contract). The contract provides clear visibility of delivery, cost and an early warning culture for positive partnership working and effective management of budget. The council's contract management service have a number of processes and procedures for the NEC contract models, along with a bespoke ICT system for change control and reporting. Value for money is tested at various stages of the commissioning process, along with continuous improvement group to improve value for the council. The current maintenance and cleaning service contract is due to expire on 31st August 2019 with an option to extend for a further 12months. The council is currently considering extending the length of the contract in line with the agreed terms.
12. Single projects where anticipated to be more than £250,000 will be procured by the council via a competitive tender exercise undertaken in line with the procurement regulations. Additionally Herefordshire Council regularly benchmarks itself against other councils in order to maintain an outcomes led value for money approach.

Community impact

13. Ensuring that property assets are maintained, cleaned and compliant as set out in the council's corporate buildings maintenance strategy as referred to in the corporate property strategy 2016-2020 and 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 the council's health and safety policy which is under review but refers to it being based on requirements of the management of health and safety at work regulations 1999 and HSE health and safety publications
14. Property assets that are correctly maintained will, as appropriate, be open and accessible to the public.
15. 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

16. 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.
17. 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

18. Expenditure of the 2019/20 planned maintenance programme £2.438m is in line with the revenue base budget of £2,538m less target savings of £100,000.

Funding streams	2019/20
	£000
<i>Property Maintenance</i>	2,438
TOTAL	2,438

Legal implications

19. 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

20. 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
The current contract is scheduled to end on 31 August 2019. If the contract terminates without a provider being in place or the contract not being extended there is a risk that cleaning and reactive maintenance works do not take place.	The intention is to extend the current contract subject to due diligence, governance and in compliance with contract procedure rules.

Consultees

21. The political group leaders have been consulted and no objections received.

Appendices

Appendix A – Cyclical activity schedule

Appendix B – Allocation of property budget split 2019/20

Background papers

None identified.