

Title of report: Property services planned and reactive maintenance programme 2023/24

**Decision maker: Cabinet member commissioning, procurement and
assets**

Decision date: Tuesday 28 February

Report by: Strategic Assets Delivery Director

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

To agree the property services planned and reactive maintenance programme 2023/24 to ensure the continuing upkeep, improvement 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.

Recommendation(s)

That:

- a) **Subject to approval, the 2023/24 cleaning, planned and reactive maintenance budget of £2,822,880 be allocated between maintenance and cleaning undertakings as follows and as set out in appendix B:**
- **£2,266,398.00 on maintenance undertakings;**
 - **£556,482.00 on cleaning undertakings; and**
- b) **the Director for Resources and Assurance be authorised to take all operational decisions necessary to implement the above recommendations and spend within the approved budgets including realigning budget between maintenance and cleaning undertakings.**

Alternative options

1. Not to undertake statutory checks, planned and reactive maintenance. This is not recommended as assets will not be compliant with health and safety legislation, are liable to deteriorate and potentially be in breach of legislation, which will have an impact on any services located in such properties, with particular reference to the safety of premises to the extent that they may have to be closed and service delivery would be severely impacted. In addition, if the council fails to undertake the statutory checks this will result in the council being in breach of its statutory obligations under relevant legislation.
2. Reducing statutory checks, planned and reactive maintenance to property assets. This is not recommended as this will escalate the risk of increasing a maintenance back-log, contribute to the deterioration of property assets or impair the asset from being kept statutorily compliant and potentially be in breach of legislation. This will have an impact on any services located in such properties, to the extent that they may have to be closed. Service delivery would be severely impacted.
3. Not undertaking planned remedial work identified subsequent to statutory checks or if reactive maintenance is reduced below required thresholds in buildings which house council employees, third parties and visitors due to inadequate funding. This is not recommended as 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. If premises are not cleaned or there is a reduction in the cleaning regime. This is not recommended as operational properties will become unsuitable, unhygienic and not fit for use by staff, visitors and the public. Carrying out regular cleaning of council's key property assets is essential as it will ensure they will remain fit for use.
5. Not undertaking continuous maintenance: This is not recommended. If the council's property assets are not subject to continuous maintenance they will not be safe and fit for purpose, their value will not be protected and they will not be in a condition necessary for transferal to our communities under the community asset transfer process should a decision be made to convey the ownership of particular assets.

Key considerations

6. The maintenance budget of £2,822,880 subject to approval at the council budget meeting on 10 February 2023 is to be spent on the continuing upkeep, cleaning and maintenance of the council's 373 key property assets and also to allow the council to fulfil its obligations to carry out compliance checks and best practice inspections so as to maintain a safe environment for the users of the buildings and for the upkeep of the property.
7. The planned maintenance programme incorporates the inspection of property assets such as offices, libraries and public buildings (excluding schools) to ensure they are compliant with legislation e.g. asbestos condition surveys, 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. gas safety testing is done annually, as the inspections/tests are generally determined by legislation (aside from good practice).
8. Maintenance of schools is not part of this programme as individual schools are responsible for their own routine maintenance programmes, compliance checks and cleaning. The same can be included for the council properties that are leased to tenants on a full repairing and insurance basis which require tenants to maintain the buildings they occupy.
9. Reactive maintenance works covers incidents that occur on a day to day basis and are unforeseen but need 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 is based upon the impact and urgency of the incident. There are circa 370 property assets (excluding schools and properties that are leased to tenants on a full repairing and insuring basis) which are maintained and or cleaned under these budgets. This number will go up or down as assets are acquired or disposed of.
10. 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 assessments. The programme of statutory inspection work for 2023/24 is identified in appendix A and the activities reflect current industry practice. Continuing to carry out these planned activities will help maintain the fabric of buildings and 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 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.
12. Appendix B sets out how the budget is to be apportioned against maintenance and cleaning undertakings. These will be delivered through the newly proposed Agreement between Herefordshire Council and Hoople Ltd or if not formally approved by April 2023, under the existing Services Contract and annual service level agreement (SLA) with Hoople which was authorised through a cabinet member decision <http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?Id=7636> using the same model as applies to the other services provided to the Council by Hoople subject to any appropriate modifications required for these additional services. Alternatively certain service provisions will be out of scope of the Hoople agreement such as planned pest control, which can be delivered through the council's own in-house services; whilst some other service provisions will need to

be undertaken through specialist suppliers due to the specialist nature of the service such as cremator servicing at Hereford crematorium. In addition some statutory expenditure will need to be paid for direct by the council such as discharge licences to the Environmental Agency. It is expected that Property Services will manage the SLA for services through Hoople and those outside the scope of that agreement and have a number of processes and procedures agreed with Hoople along with a bespoke ICT system for change control and reporting.

13. Provision will be made with Hoople for the budget to be monitored to ensure expenditure is kept in line with projected spending limits and is identified in appendix B (estimated budget split). The provider's performance will also to be scrutinised ensuring their KPI's are met.
14. Any revenue funded single small work projects could be delivered through a formal tendering exercise or framework that would be undertaken in line with the council's contract procedure rules to demonstrate best value. Alternatively, works could be delivered through the building maintenance and cleaning contract, which includes an obligation to undertake a competitive procurement process and engage suppliers where possible who are local and small to medium enterprises when seeking to sub-contact. This is to be further monitored through Property Services to ensure the council is getting value for money for works going through the contract. Any capital funded projects are subject to separate governance decisions

Community impact

15. 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 Strategic Asset Management Plan 2022. Maintained, cleaned and compliant buildings help deliver safe accessible environments for visitors and members of the public in so far as they comply with the council's health and safety policy, which is based on requirements of the management of health and safety at work regulations 1999 and Health and Safety Executive health and safety publications.
16. 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 to council properties. 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.
17. These proposals will contribute towards the delivery of the aims within the council's corporate plan to 'support improvement in the quality of the natural and built environment' and 'to make best use of the resources available in order to meet the council's priorities' and ambitions as set out in the county plan as well as improve the council's energy efficiency, reduce its carbon footprint, provide cost savings by reducing reactive repair works.

Environmental Impact

18. This decision seeks to deliver the council's environmental policy commitments and aligns to the following success measures in the County Plan.
 - Increase flood resilience and reduce levels of phosphate pollution in the county's river
 - Reduce the council's carbon emissions

- Work in partnership with others to reduce county carbon emissions
- Improve the air quality within Herefordshire
- Improve residents' access to green space in Herefordshire

19. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management to ensure these measures are met such as utilizing local supply chains, improving local air quality by replacing less effective equipment for those that are more efficient.

The development of this programme has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

20. The principles as set out in the draft procedural document Achieving Decarbonisation of the Corporate Estate which has been developed with our sustainability /energy and wider council colleagues will be followed. By investing in assets by means of maintaining building service installations for instance replacing less efficient light fittings for more efficient ones and introducing controls to better management of heating systems, these proposals will contribute towards the delivery of the aims within the council's corporate plan to 'support improvement in the quality of the natural and built environment' and 'to make best use of the resources available in order to meet the council's priorities' as well as improve the council's energy efficiency, reduce its carbon footprint, provide cost savings by reducing reactive repair works

Equality duty

21. The planned maintenance budget takes into account keeping buildings compliant and ensuring they are accessible.

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 –

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

21. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
22. 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.
23. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
24. In all our buildings and maintenance works, we will comply with the council's own Equality Policy, namely:
 - When designing infrastructure schemes and redesigning the public realm in our city and town centres, we will work with user groups to ensure that the design improves access for all.
 - In all our proposals, we will aim for the highest level of accessibility.

Resource implications

25. Expenditure of the 2023/24 planned maintenance programme will be from the set revenue budget of £2,822,880 (subject to approval at the council budget meeting on 10 February 2023). The impact on reducing budgets will be to reduce certain maintenance undertakings with the risk of increasing a maintenance back-log contributing to the deterioration of property assets or impair the asset from being kept compliant. The table below sets out the financial funding stream of the decision.

Funding Streams	2023/24	Total
	£	£
<i>Property maintenance</i>	2,822,880	2,822,880
TOTAL	2,822,880	2,822,880

Legal implications

26. The council has a number of legal statutory obligations to maintain its properties to a safe standard of repair and hygiene that makes it a necessity to undertake regular maintenance and improvement of council owned or operated properties. The council also undertakes the maintenance of its properties in accordance with various good practice guidance.

The council has an existing service level agreement with Hoople Ltd for the provision of some council services. The service level agreement arrangements are being updated at this time.

Any procurements for works, goods or services must comply with the council's contract procedure rules and the Public Contract Regulation 2015

Risk management

27. The following risk and mitigations have been taken into account when considering the spend of the 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, reduce risk and ensure the Council complies with its legal duties

Consultees

28. A Political Group Consultation was held to discuss the details of the report. No points of interest were raised that require an amendment to the report.

Appendices

Appendix A – Overview schedule that forms the basis of cyclical and planned maintenance inspections/ checks and cleaning undertakings.

Appendix B – Estimated property budget split 2023/24 for maintenance and cleaning undertakings

Background papers

'None identified'.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 01/02/2023
Finance	Louise Devlin	Date 24/01/2023

Legal	Sarah Halliwell	Date 31/01/2023
Communications	Luenne Featherstone	Date 25/01/2023
Equality Duty	Harriet Yellin	Date 27/01/2023
Procurement	Lee Robertson	Date 20/01/2023
Risk	Kevin Lloyd	Date 23/01/2023

Approved by Andrew Lovegrove Date 15/02/2023

A glossary of terms, abbreviations and acronyms used in this report.

SLA – Service level agreement

Hoople - Hoople is a private limited company with public sector shareholders namely Herefordshire Council and Wye Valley NHS Trust.