

Report No.

London Borough of Bromley

DRR 15/018

PART ONE - PUBLIC

Decision Maker: Executive

Date: 24th March 2015

Decision Type: Non-Urgent Executive Key

Title: **GATEWAY REVIEW 0,1 & 2 APPROVAL OF 2015/2016 EDUCATION BUILDING MAINTENANCE BUDGETS, EDUCATION PLANNED MAINTENANCE PROGRAMME AND PREFERRED PROCUREMENT OPTIONS**

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Chief Officer: Director of Corporate Services

Ward: (All Wards);

1. Reason for report

This report sets out the maintenance budget for education buildings and the criteria used to assemble the planned maintenance programme. Once agreed the programme will be circulated to all Bromley maintained schools and education properties.

The report also outlines the preferred procurement option for the programme.

The proposed Education Planned Maintenance Programme is contained in Appendix A.

2. RECOMMENDATIONS

2.1 Members are asked:

- (1) To approve overall expenditure of £1,452,294 for the maintenance budget for education buildings in 2015/2016.
- (2) To approve the criteria used to assemble the planned maintenance programme. (Gateway Review 0 & 1)
- (3) To approve the proposed education planned maintenance programme. A copy is attached in Appendix A.

- (4) To delegate authority to the Director of Corporate Services to vary the planned programme where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.**
- (5) To approve the preferred procurement option and method to be used. (Gateway Review 2)**
- (6) To delegate authority to the Director of Corporate Services to select the most economically advantageous tender for any individual item of expenditure under the approved programme referred to at (1) – (5) above.**
- (7) To agree that the Director of Regeneration and Transformation be authorised to submit planning applications where appropriate in respect of schemes identified in the education planned maintenance programme**
- (8) To agree, as part of the £1,452,294 budget, the £700,000 allocation to Suitability/ Health and Safety, Security, Seed Challenge and Kitchen Refurbishment programmes and delegate responsibility for management to the Director of Education Care and Health Services.**
- (9) To agree that the Director of Education Care and Health Services be authorised to submit planning applications in respect of schemes in the Suitability/ Health and Safety, Security, Seed Challenge and Kitchen Refurbishment programmes.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: £1,452,294
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Operational Property Services, Directors of Corporate Services and Education Care and Health Services
 4. Total current budget for this head: £1,452,294
 5. Source of funding: Funded from Capital Budgets
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Staff

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

3. COMMENTARY

3.1 The maintenance budget for 2015/2016 is £1,452,294 which is funded by the DfE's Capital Maintenance Grant and is allocated as follows:

Planned Maintenance Programme	£752,294
Seed Challenge Fund	£200,000
Security Fund	£50,000
Suitability/ Health and Safety Fund	£250,000
Kitchen Up-grade Programme	£200,000
Total	£1,452,294

- 3.2 In previous years the entire budget was managed by the Property Division, but following reorganisation of the Division, responsibility for the budget is now divided between Operational Property Services and Education Care and Health Services.
- 3.3 Operational Property Services is responsible for delivering the planned maintenance programme. The Council agrees an annual planned maintenance programme for education properties that is proposed by officers each year. It is based on available funding, condition, priority and urgent items that arise during the year.
- 3.4 Education Care and Health Services is responsible for managing the Seed Challenge Fund, the Security Fund and the Suitability/ Health and Safety Fund. In addition, works to link kitchen shutters to fire alarm systems have been identified as a priority in the School Premises Health and Safety Compliance Audit and the School Kitchen Sufficiency Audit (undertaken to support the introduction of Universal Infant Free School Meals). Therefore it is proposed to allocate £200k from the Capital Maintenance Grant to deliver this work as part of the kitchen upgrade programme being delivered by Education Care and Health Services.
- 3.5 The Seed Challenge Fund is a match funded scheme that supports school led improvements that benefit the curriculum, security or health and safety and that would not normally be eligible for other funding. The scheme is popular with schools, but the total funding made available has reduced this year to reflect the reduction in both the number of local authority maintained schools and the amount of Capital Maintenance Grant received from the DfE.. Following requests for expressions of interest the Education PDS considers the bids and selects the successful ones based on the criteria agreed. The Security Fund is for urgent security works at local authority maintained schools and is allocated by officers. The Suitability/ Health and Safety Fund is allocated to support priority schemes. This year it will be used to support remedial works to schools that are required to ensure compliance with premises' statutory and regulatory requirements. The works will be identified following an audit of inspection records.
- 3.6 The planned maintenance programme is compiled by identifying, costing and prioritising works needed to safeguard the long-term life of the Council's education property portfolio.
- 3.7 The programme is compiled using condition survey data and maintenance data. In addition it is recognised that the local knowledge of Head Teachers and the Head of Strategic Place Planning who acts as strategic client for the education planned maintenance programme is invaluable in identifying maintenance issues. They have therefore continued to be involved in the development and management of the programme.

- 3.8 The condition assessment survey predicts when expenditure may be required in the future. Each element of a building is assessed and given a condition and priority classification by the inspecting surveyor or engineer. The surveys use the following grading criteria:

Condition

Grade A – Good. Performing as intended and operating efficiently.

Grade B – Satisfactory. Performing as intended but exhibiting minor deterioration.

Grade C – Poor. Exhibiting major defects and/or not operating as intended.

Grade D – Bad. Life expired and/or serious risk of imminent failure.

Priority

Priority 1 – Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation.

Priority 2 – Essential work required within two years that will prevent deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation.

Priority 3 – Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

Priority 4 – Long term work required outside the five year planning period that will prevent deterioration of the fabric or services

- 3.9 Members should be aware that only the very highest priority schemes have been programmed for completion. Only those items that are Condition Grade D or C and/or Priority 1 and are considered by officers to have the highest risk of failure are included.
- 3.10 De minimis levels are set for school projects. Projects below the de minimis level will not be included in the programme. The de minimis level for primary schools is £5k.
- 3.11 A contingency sum is included to deal with works that are currently not funded but where there is a risk of failure and where they are likely to be outside the scope of many schools to deal with.
- 3.12 A budget driven programme is likely to produce a backlog of high priority maintenance issues and building elements will inevitably deteriorate to a point where they become critical.
- 3.13 It is not possible to fund a redecorations programme for education properties and Members will appreciate the adverse effect such a strategy will have on both the condition and aesthetics of the Council's building stock.
- 3.14 Previously the Director of Corporate Services has been authorised to vary the programmes during the course of the year where such action is considered necessary to either protect the Council's assets or make the most effective use of resources. It is proposed that this delegated authority should continue.

3.15 It is proposed to carry out condition surveys for the Bromley maintained schools. This is considered essential for schools that continue to remain the Council's responsibility and will be required to compile next year's planned maintenance programme.

4. POLICY IMPLICATIONS

4.1 The Council has a policy of supporting local businesses and Small Medium Enterprises (SMEs). The procurement strategy outlined in paragraph 8 directly encourages this support.

5. FINANCIAL IMPLICATIONS

5.1 The budget for Education Building Maintenance for 2015/2016 is £1,452,294, of which £752,294 is controlled by Operational Property Services and £700,000 is controlled by Education Care and Health Services.

5.2 Planned maintenance projects at Community and Voluntary Controlled Schools are managed by Operational Property Services. The funding for planned maintenance projects at Foundation Schools is devolved to individual schools, which are then responsible for ensuring that the identified projects are delivered in accordance with the relevant Construction and Financial Regulations. Schools that have converted to academy status are not eligible for funding from this budget. However, the local authority will honour allocations in this programme to schools, which subsequently convert to academy status in year.

6. LEGAL IMPLICATIONS

6.1 The value of planned maintenance projects described in the report will not exceed the EU threshold for Works. However because the EU regulations are so complex, the advice of the Council's Procurement Team will be sought before contracts are let.

6.2 The projects will be procured in accordance with the Council's Contract Procedure Rules and a number of procurement routes are permitted depending upon the estimated value of the work.

6.3 All contracts over £50k are added to the Contracts Register and will be subject to the maintenance of a risk register with suitable contingency measures in place in the event of default by provider.

6.4 If there are any individual contracts for works in the programme, which exceed £200k, they will be subject to monthly reviews which are designed to ensure the Council's requirements for performance, compliance with the specification, cost value for money and client satisfaction are achieved.

7. PERSONNEL IMPLICATIONS

7.1 None

8. PROCUREMENT STRATEGY

8.1 The procurement route for this programme is usually via the traditional route of JCT contracts, tendered competitively. Where appropriate, projects for similar types of works will be grouped and tendered together.

8.2 Contractors are selected by random selection within certain parameters from an approved list managed by Constructionline. This has the benefit of ensuring fairness in the shortlisting process as all contractors registered on Constructionline are given opportunity to tender.

8.3 Small Medium Enterprises (SMEs) and local contractors have been encouraged to sign up to the Constructionline approved list. Operational Property Services work closely with the

Procurement Team to ensure that SMEs are aware of the procurement route for projects of the size described within this report.

- 8.4 If any suitable EU compliant frameworks are available, their use will be considered.
- 8.5 All compliant tenders are assessed and contracts are awarded in accordance with Bromley's Contract Procedure Rules. In the case of discrete building maintenance projects the contracts are awarded on the basis of lowest price.

9. CUSTOMER PROFILE

- 9.1 The planned maintenance programme outlined represents the cornerstone of Operational Property Services' responsibilities. The ongoing maintenance of the Council's education buildings has an impact on all teaching staff, pupils and visitors.

10. STAKEHOLDER CONSULTATION

- 10.1 The agreed 2015/2016 programme will be sent to all Bromley maintained schools and education property managers.
- 10.2 The programme will also be reported for information to the Education Portfolio Holder.

11. SUSTAINABILITY/IMPACT ASSESSMENTS

- 11.1 In formulating its service and contracting strategies the Council has considered its impact on a number of issues, collectively referred to as "Sustainability", matters. These matters relate to economic, social and environmental considerations.
- 11.2 Consideration has been given to optimising the opportunities around these programmes for SMEs.
- 11.3 The planned maintenance programme offers a range of small/medium projects that will attract SMEs via the traditional JCT form of contract.
- 11.4 All successful contractors will be asked to support and facilitate the use of sustainable arrangements in the delivery of the service. This in turn will contribute to the reduction of the Council's carbon footprint.
- 11.5 This decision has been judged to have no or a very small impact on local people and communities.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	