

Decision Maker: Executive

Date: 18th May 2016

Decision Type: Non-Urgent Executive Key

Title: **GATEWAY REVIEW 1/2 APPROVAL OF 2016/2017 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 £957,888 for the maintenance budget for education buildings in 2016/2017.**
- (2) **To approve the criteria used to assemble the planned maintenance programme.**

- (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.**
- (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 £957,888 budget, the £500,000 allocation to Suitability/ Health and Safety, Security and Seed Challenge programmes and delegate responsibility for management to the Director of Education.**
- (9) To agree to the virement of £93,500 to the Basic Need Programme in accordance with the recommendation in paragraph 3.11.**
- (9) To agree that the Director of Education be authorised to submit planning applications in respect of schemes in the Suitability/ Health and Safety, Security and Seed Challenge programmes.**

Corporate Policy

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

1. Cost of proposal: £957,888
 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: £957,888
 5. Source of funding: DfE Capital Maintenance Grant
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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 2016/2017 is £957,888 which is funded by the DfE's Capital Maintenance Grant and is allocated as follows:

Planned Maintenance Programme	£457,888
Seed Challenge Fund	£100,000
Security Fund	£50,000
Suitability/ Health and Safety Fund	£350,000
Total	£957,888

3.2 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

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. 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 have been identified following compliance surveys undertaken at local authority maintained schools.

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 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 Schemes that are included in the proposed programme have been assessed as having a Condition Grade D or C and/or a Priority 1 grading and are considered by officers to have the highest risk of failure. The grading criteria are defined as follows:

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 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.
- 3.10 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.
- 3.11 One of the high priority projects recommended for inclusion in the programme is the replacement of windows at Edgebury Primary School. This school is being expanded from a 1FE to 2FE school and, as the replacement windows and school expansion works will overlap, it is proposed that the sum of £93,500 is vired to the Basic Need Capital Programme and that the work is carried out as part of the school expansion works currently underway and managed by Education Care and Health Services..
- 3.12 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.
- 3.13 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.
- 3.14 £247,174 was also awarded to voluntary aided schools in Bromley through the Locally Coordinated Voluntary Aided Programme (LCVAP). This fund is allocated direct to schools by the Department for Education following consultation between Church of England Diocese of Rochester, Roman Catholic Archdiocese of Southwark and the Council about priorities for funding.

4. POLICY IMPLICATIONS

- 4.1 School condition funding is provided by the Department for Education to organisations responsible for a number of schools and is to improve and maintain the school estate (buildings and grounds). There are 19 schools that are still maintained by L B Bromley (2 of which are

voluntary aided schools and funded via LCVAP) and the schemes included in the planned maintenance programme are the highest priority works.

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

5. FINANCIAL IMPLICATIONS

- 5.1 The budget for Education Building Maintenance for 2016/2017 is £957,888, of which £457,888 is controlled by Operational Property Services and £500,000 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 distribution and application of monies received from Central Government is subject to guidance and advice from the Department for Education.
- 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. PROCUREMENT STRATEGY

- 7.1 The procurement route for this programme is via competitive tender using the traditional JCT form of contract. Where appropriate, projects of a similar type will be grouped and tendered together.
- 7.2 The Public Contracts Regulations 2015 incorporate new EU and UK Regulations which have changed the procedures that must now be followed when procuring public sector contracts. Different procedures apply depending upon whether the contracts are above or below £100k.
- 7.3 For contracts below £100k contractors can be selected by random selection within certain parameters from an approved list managed by Constructionline.
- 7.4 "Local Rules – OK" also applies to any contract between £5k and £50K. This is a procurement protocol to encourage the use of SMEs and local trading organisations. It enables local businesses to be added to a tender list.

- 7.5 For contracts above £100k the approved list cannot be used. Contracts have to be publically advertised using the Contracts Finder portal. Tenders can be sought directly in response to an open advertisement or a shortlist of suppliers can be compiled using a two-stage procurement process in which a Pre-Qualification Questionnaire is used to compile a shortlist. Competitive tenders are then sought from the shortlisted suppliers.
- 7.6 An alternative to open advertisement is using a framework. Frameworks are usually available to public sector bodies, often within a geographical area, and the contractors on the framework are selected via an EU compliant tendering process. LB Bromley has signed the Access Agreement to the Major Works 2014 (LCP W1-MW14) Framework Agreement. The Framework could be considered as an option for any projects over £100k.
- 7.7 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 usually awarded on the criteria of lowest price.

8. CUSTOMER PROFILE

- 8.1 The ongoing maintenance of the Council’s education buildings has an impact on all teaching staff, pupils and visitors.

9. STAKEHOLDER CONSULTATION

- 9.1 The agreed 2016/2017 programme will be sent to all Bromley maintained schools and education property managers.
- 9.2 The programme will also be reported for information to the Education Portfolio Holder.

10. SUSTAINABILITY/IMPACT ASSESSMENTS

- 10.1 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.
- 10.2 Consideration has been given to optimising the opportunities around these programmes for SMEs.
- 10.3 The planned maintenance programme offers a range of small/medium projects that will attract SMEs.
- 10.4 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.
- 10.5 This decision has been judged to have no or a very small impact on local people and communities.

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