

Decision Maker: EXECUTIVE

Date: Wednesday 12 February 2020

Decision Type: Non-Urgent Executive Key

Title: OPERATIONAL BUILDING MAINTENANCE BUDGETS AND
PLANNED PROGRAMME 2020/21

Contact Officer: Catherine Pimm, Senior Property Manager
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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: (All Wards);

1. Reason for report

The report sets out the proposed maintenance budgets and planned programme for 2020/21.

2. RECOMMENDATION(S)

2.1 Members are asked:

2.1.1 subject to the Council agreeing the budget, to approve an overall expenditure of £2.167m for the Building Maintenance budget in 2020/2021.

2.1.2 to approve the planned programme in Appendix A.

2.1.3 to delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the programmes to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.

Impact on Vulnerable Adults and Children

1. Summary of Impact:
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Corporate Policy

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

1. Cost of proposal: £2.167m
 2. Ongoing costs: £2.167m
 3. Budget head/performance centre: Repairs and Maintenance Budget
 4. Total current budget for this head: £2.167m
 5. Source of funding: 2020/21 revenue budget
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Personnel

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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Procurement

1. Summary of Procurement Implications: Not 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: N/A

3. COMMENTARY

- 3.1 The Total Facilities Management Contract commenced on 1 October 2016 and Amey Community Ltd has responsibility for delivering building maintenance.
- 3.2 This report outlines the proposed allocations against the various budget heads for 2020/21 as proposed by Amey in consultation with the Council's Client Team
- 3.3 In addition to its consultation and communication with the Client, Amey Community Ltd is continuing to hold Focus Groups with each department. This ensures that the local knowledge used in the compilation of the programme is maintained and representatives are notified of any planned programmed works being undertaken in the buildings connected with their services.

Proposed Maintenance Budgets for 2020/21

- 3.4 The proposed maintenance budget for 2020/21 is £2.167m. This programme is broken down into the following budget heads:
- Reactive Maintenance
 - Cyclical Maintenance
 - Asbestos Management
 - Water Treatment Works
 - Planned Programme
 - Fire Risk Assessments
- 3.5 The maintenance budget heads are described in more detail below

REACTIVE MAINTENANCE

- 3.6 Funding for reactive maintenance is allocated to individual service cost centres based on previous year's expenditure. This budget is used to fund works of an unplanned or emergency nature enabling the Council to keep operational buildings open and to provide services to the people of Bromley. The pressure on this budget increases as fewer planned maintenance projects are undertaken and the buildings become more dilapidated. The proposed budget for 2020/21 is £908.67k.

CYCLICAL MAINTENANCE

- 3.7 Cyclical Maintenance represents a periodic programme of weekly, monthly, semi-annual, annual, quinquennial and so on routines, which are based on statutory requirements and recommended maintenance routines for major plant. It ensures compliance with statutory regulations and ensures that major plant is maintained properly. It also identifies plant at risk of failure. The proposed budget for 2020/21 is £384.66k.

ASBESTOS MAINTENANCE

- 3.8 This budget enables the Council to meet its statutory obligations for the management of asbestos in its buildings, which includes annual condition monitoring, maintenance, testing and removal. The proposed budget for 2020/21 is £82.58k.

- 3.9 The costs of asbestos inspection and removal prior to the commencement of building projects, including those in the planned programme are now a cost against the individual project. Each project within the planned programme has a contingency added for asbestos costs.

WATER TREATMENT WORKS

- 3.10 This budget enables the Council to meet its statutory obligations with regard to the control of Legionella and water hygiene. The proposed budget for 2020/21 is £223.98k.

PLANNED PROGRAMME

- 3.11 The planned programme funds planned works on operational premises and on investment properties for which the Council has repairing obligations under the terms of the lease or tenancy agreement. The planned programme safeguards the long-term life of the Council's property portfolio and is used for high cost items of work that cannot be funded from other budgets. It includes only the very highest priority schemes. It is also used to deal with any in year emergencies. The proposed budget for 2020/21 is £503.50k.
- 3.12 The proposed programme is shown in Appendix A.
- 3.13 This year it is proposed to include a general contingency to deal with any in year emergency projects. If there are no in year emergencies then the budget can be used for other high priority works not included in the programme, but which also need to be undertaken.

FIRE RISK ASSESSMENTS

- 3.14 The Regulatory Reform (Fire Safety) Order 2005 requires those in charge of commercial buildings to carry out detailed fire risk assessments regularly. There is no fixed period for carrying out assessments, but they should be carried out whenever there are significant changes, which could affect the fire risk, including changes to the building, staff, occupancy, activities, legislation etc. Identifying when significant changes occur is an almost impossible task for building owners, particularly if, as in Bromley's case, there are so many different departments and organisations responsible for their management, so the Council has adopted best practice and is carrying out the Fire Risk Assessments annually. The proposed budget for 2020/21 is £63.12k.

WITHDRAWN BUDGETS

- 3.15 The Disability Access, Redecorations and Minor Improvement budgets were withdrawn several years ago.
- 3.16 The Council has a responsibility under the Equality Act, to ensure that, where a public service is offered, it is available to all members of the public. Individuals cannot be discriminated against because of their physical disabilities. In many instances compliance can be provided by a change in the way that service is provided. However in some cases physical adaptations to the building are required to ensure accessibility. Disability Access works to operational buildings were carried out a number of years ago. If any further adaptations are required in the course of the year in order to comply with the Act additional funding will need to be identified from outside the R&M budgets.
- 3.17 The suspension of the programme of internal and external redecoration at operational buildings is resulting in a deterioration of building elements and appearance.
- 3.18 Individual departments are now expected to fund any requested improvements works from their own budgets.

VARIATIONS TO PROGRAMMES

3.19 In previous years, the responsible Director 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 authority continues and it is recommended that the Director of Housing, Planning, Property and Regeneration has authority to vary the programmes.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision.

5. POLICY IMPLICATIONS

5.1 As less funding is available for maintenance of the operational property portfolio, it is essential that the Council optimises the utilisation of its assets and ensures that it retains only those properties that meet the corporate and service aims and objectives.

6 FINANCIAL IMPLICATIONS

6.1 The building maintenance budget (excluding education properties) is managed by Amey Ltd in partnership with the Council. The draft 2020/21 budget has an amount of £2.167m set aside for repairs and maintenance.

6.2 The table below shows the draft budget for 2020/21 and the proposed apportionment of the budget across the different budget heads:

Service	2020/21 Draft Budget £
Reactive/Unplanned	908,670
Cyclical Maintenance	384,660
Asbestos Management	82,580
Water Treatment Works	223,980
Planned Programme	503,500
Fire Risk Assessments	63,120
Total Building Maintenance Budget	<u>2,166,510</u>

6.3 In recognition of the risks arising from the reduction in the building maintenance annual revenue budget, there is an earmarked reserve for Infrastructure Investment. This reserve was set up to help ensure there is provision within the Council's overall resources to partly mitigate against such risks. The uncommitted balance of the Fund now stands at £139k. Therefore, a report will need to be taken to the Executive setting out a full business case for increasing the infrastructure reserve which will take into account the alternative funding options, the need to reduce the budget to a sustainable level, as well as any reprioritisation of works required.

LEGAL IMPLICATIONS

- 7.1 There is, as is outlined in this report, a range of specific duties which requires the Council to undertake maintenance of its properties. Failure to ensure that its properties and buildings are maintained to a level to avoid risks to its staff and members of the public can lead to criminal and civil liability. The funding is allocated against the different budget heads in a way that will ensure that the Council fulfils these obligations. The budget reductions mean that there will be year on year deterioration to the buildings.
- 7.2 Amey Community Ltd is now responsible for procuring and delivering the maintenance programmes and the Client Team will monitor their activities and delivery in accordance with the terms of the contract.

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

Appendix A: Planned Programme 2020/21

Operational Premises	Works	Project Cost	Comments
Saxon Day Centre	Heating System	£25,000	Major repairs are required to ensure the continued functioning of the system.
Churchill Library	Replacement of Revolving Entrance Door	£40,000	The revolving door is no longer functional and is beyond repair. This work was included in the 2019/20 programme but had to be deferred as the funding had to be used for in year emergency works.
Astley Centre	Replacement of Roof Coverings	£45,000	Roof Coverings are defective in places and substantial repairs are required to protect the building against water ingress. This work was included in the 2019/20 programme but had to be deferred as the funding had to be used for in year emergency works.
Chislehurst Recreation Ground Pavilions	Underground Drainage	£46,000	Provision of new waste pipe from the Tennis Pavilion within park to nearest sewer.
Crystal Palace Park	Provision of power cable and pumps	£60,000	Installation of new cable and two pumps on dinosaurs' island.
4 Cudham Lane	Replacement of roof coverings	£25,000	Roof coverings have reached the end of their life and the roof has been subject to water ingress in recent years. Replacement is essential and it is the landlord's responsibility to carry out these repairs. This work was included in the 2019/20 programme but had to be deferred as the funding had to be used for in year emergency works.
Poverest Adult Education Centre	Replacement of Boilers	£27,500	The boilers have reached the end of their life and replacement is necessary
Bellegrove Residential Home	Replacement Fire Alarm System	£60,000	Replacement of fire alarm system as the current system is subject to repeated faults and breakdowns, which can no longer be rectified economically.
Civic Centre	Upgrade of BMS (Building Management System)	£15,000	The BMS controls the heating of the Civic Centre. The system is out of date and it is proposed to up-grade it to improve diagnosis and more accurate control from a centralised system. This will also provide greater energy efficiency.
Churchill Theatre & Central Library	Mechanical and Electrical Services	£25,000	The M&E plant is reaching the end of its life. The services in the building are shared between the library and the theatre. In order to assess the condition of the services and look at the options for their replacement it is necessary to appoint suitably qualified consultancy services.
Walnuts Leisure Centre	Replacement of Water tanks	£15,000	Two water tanks are at the end of their life and require replacement.
Fire Risk Assessment Remedials	Remedial Works	£70,000	To carry out any further remedial works identified in the assessments.
General Contingency	Emergency works	£50,000	This is a general contingency to deal with any in year emergency projects.
TOTAL PLANNED		£503,500	