

**PART ONE - PUBLIC**

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**Decision Maker:** EXECUTIVE

**Date:** 13 January 2021

**Decision Type:** Non-Urgent Executive Key

**Title:** OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2021/22

**Contact Officer:** Matt Wyatt, Head of Facilities and Capital Projects  
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**Chief Officer:** Director of Housing, Planning, Property and Regeneration

**Ward:** (All Wards);

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1. Reason for report

- 1.1 The report sets out the proposed maintenance budgets and planned programme for 2021/22.
  - 1.2 The report also details a request for additional budgetary provision of £2m for essential works in 2021/22 and 2022/23.
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2. **RECOMMENDATIONS**

**Members are asked:**

- 2.1 subject to the Council agreeing the budget, to approve an overall expenditure of £2.188m for the Building Maintenance budget in 2021/2022.
- 2.2 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.
- 2.3 to approve an additional provision of £1m in each of the next 2 financial years 2021/22 and 2022/23 to be set aside in the Infrastructure Investment earmarked reserve to fund essential and statutory works.
- 2.4 where urgent works are needed in the current financial year, funding to be drawdown from Central Contingency in 2020/21 and the additional provision of £1m in 2021/22 will be reduced by an equal amount.

## 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: £2.188m annual costs plus £2m non-recurring costs
  2. Ongoing costs: £2.188m
  3. Budget head/performance centre: Repairs and Maintenance Budget
  4. Total current budget for this head: £2.188m
  5. Source of funding: 2021/22 revenue budget plus Central Contingency
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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 Building Maintenance Budget**

- 3.1.1 The Total Facilities Management Contract commenced on 1 October 2016 and Amey Community Ltd has responsibility for delivering building maintenance. This contract expires on 31 October 2021. The proposed budget for 2021/22 is unaffected by this eventuality.
- 3.1.2 This report outlines the proposed allocations against the various budget heads for 2021/22 as proposed by Amey in consultation with the Council's Client Team. In addition to its consultation and communication with the Council, 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.

#### **3.2 Additional Budgetary Provision request**

- 3.2.1 Over and above the existing maintenance budget proposals, a considerable number of additional works have been identified, which have high cost implications. It is not possible to fund these additional works from existing budgets.
- 3.2.2 The additional works are essential to ensure Health and Safety or statutory compliance, to prevent building closure, to ensure the council's IT resilience or to safeguard staff. They are shown in the table below and amount to approximately £651,500. Higher cost items include part replacement of the generator/UPS system serving the Civic Centre and essential fire improvement works at Central Library. It may be necessary to complete a proportion of these works in 2020/21.
- 3.2.3 The maintenance budget was reduced by £1M approximately 8 years ago when it was intended that a major refurbishment of the Civic Centre would be undertaken as part of a proposed Civic Centre accommodation improvement scheme. In recognition of the risks arising from the reduction in the building maintenance annual revenue budget, an earmarked reserve for Infrastructure Investment was created. This reserve was set up to help ensure there is provision within the Council's overall resources to partly mitigate against such risks. However, the balance of the Fund now stands at £139k and is not enough to meet the current identified and anticipated needs of the portfolio.
- 3.2.4 It should be noted that some of the works proposed at the Civic Centre site would have formed part of the previously anticipated Civic Centre accommodation improvement programme. As this programme is not currently progressing it should be noted that the assets in question which were previously identified as being beyond economic repair and therefore suitable for inclusion in that programme have continued to age and cause a drain on the revenue budget resource. Amey have undertaken various inspections and recently confirmed areas which require urgent attention in view of the accommodation improvement programme being deferred.
- 3.2.5 The approach taken in terms of maintenance has been that to ensure that the operational estate is maintained to ensure that it meets the various requirements of statutory and regulatory compliance in terms of Health and Safety. The consequence of this over the years has meant that the various elements of buildings have been repaired where possible but not replaced. As these elements continue to age, the estate now finds itself in a position where various components are now beyond economic repair and are causing a detrimental drain on existing financial resources.

3.2.6 The table below shows the initial identified additional works and their estimated costs;

Site	Description	Value £s
66-68 Cotmandene Crescent	Heating	14,000
Civic Centre	Emergency Lighting	46,000
Astley Centre	Emergency Lighting	13,000
Central Library	Fire Doors	284,000
Central Library/ Theatre car park	Pigeon netting	5,500
Poverest Adult Education Centre	Electrical remedial works	20,000
Civic Centre	HV/ UPS Works	100,000
8 Masons Hill	Security Works	54,000
Various Sites	Boiler Repairs	50,000
Willet Recreation Ground	Replacement of water main	45,000
Various Sites	A/C Units	20,000
<b>TOTAL</b>		<b>651,500</b>

3.2.7 In addition, condition surveys have been instructed across the whole of the operational property portfolio – these are due for completion by June 2021. Once evaluated, there will be a clearer picture of expenditure requirements over the subsequent 10 years and this will feed into future budgets requests.

3.2.8 Consequently, this report requests additional budget provision of £1m in 2021/22 and £1m in 2022/23. The balance of the £1m requested for 2021/22 would be drawn down as urgent need arises in order to complete further statutory or unavoidable works that are identified. The contract with Amey Communities Ltd will terminate in 2021/22 and it is envisaged that the majority of these works will be instructed and managed by the LBB projects team rather than be delivered through the Amey contract.

3.2.9 The proposed additional provision of £1m in 2022/23 reflects the likelihood of an increase in maintenance and repair works identified by the condition surveys. As stated, a clearer picture will be available once all surveys have been evaluated.

3.2.10 It should be noted that the ongoing operational review of Council property may mitigate some of this expenditure (as a result of asset disposal) along with generating income. The Buildings Maintenance budget and the additional requested funding will be allocated to ensure that there is no unnecessary expenditure on properties that may subsequently be sold or significantly altered.

3.2.11 The primary objective of council's operational property review is to identify and deliver an optimal operational estate which balances current and future accommodation requirements for excellent service delivery with the overarching need to achieve value for money across the council's finances and estate.

### **Proposed Maintenance Budgets for 2021/22**

3.3 The proposed maintenance budget for 2021/22 is £2.188m. This programme is broken down into the following budget heads:

- Reactive Maintenance

- Cyclical Maintenance
- Asbestos Management
- Water Treatment Works
- Planned Programme
- Fire Risk Assessments

3.4 The maintenance budget heads are described in more detail below

### **REACTIVE MAINTENANCE**

3.5 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 2021/22 is £917,700.

### **CYCLICAL MAINTENANCE**

3.6 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 2021/22 is £388,250.

### **ASBESTOS MAINTENANCE**

3.7 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 2021/22 is £82,900.

3.8 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**

3.9 This budget enables the Council to meet its statutory obligations with regard to the control of Legionella and water hygiene. The proposed budget for 2021/22 is £226,000.

### **PLANNED PROGRAMME**

3.10 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 2021/22 is £509,000.

3.11 The proposed programme is shown in Appendix A.

- 3.12 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**

- 3.13 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 2021/22 is £63,770.

### **WITHDRAWN BUDGETS**

- 3.14 The Disability Access, Redecorations and Minor Improvement budgets were withdrawn several years ago.
- 3.15 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.
- 3.16 The suspension of the programme of internal and external redecoration at operational buildings continues to result in a deterioration of building elements and appearance. The condition surveys expected in June 2021 will provide greater detail in this regard, however replacement of failed components, i.e. rotten windows, will usually incur greater cost in the medium term than regular planned maintenance.
- 3.17 Individual departments are now expected to fund any requested improvements works from their own budgets.

### **VARIATIONS TO PROGRAMMES**

- 3.18 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 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. This is being addressed by the operational property review.

## 6 FINANCIAL IMPLICATIONS

- 6.1 The building maintenance budget (excluding education properties) is managed by Amey Ltd in partnership with the Council (noting that this contract is due to expire in October 2021). The draft 2021/22 budget has an amount of £2.188m set aside for repairs and maintenance.
- 6.2 The table below shows the draft budget for 2021/22 and the proposed apportionment of the budget across the different budget heads:

<b>Service</b>	<b>2021/22 Draft Budget</b>
Reactive/Unplanned	917,700
Cyclical Maintenance	388,250
Asbestos Management	82,900
Water Treatment Works	226,000
Planned Programme	509,000
Fire Risk Assessments	63,770
<b>Total Building Maintenance Budget</b>	<b>2,187,620</b>

- 6.3 If approved, additional provision of £1m in each of the next two financial years will be set aside in the Infrastructure Investment earmarked reserve . This will provide for additional statutory or unavoidable works of £2m over and above the works funded from the £2.188m maintenance budget. it is proposed that authority to drawdown from the reserve for these works would be delegated to the Director of Housing, Planning, Property and Regeneration in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning & Contract Management.
- 6.4 As stated in 3.2, some of the initial urgent works may need to commence in the current financial year and these costs would be to need to be funded from Central Contingency in 2020/21. In this event, the provision of £1m in 2021/22 to be set aside in the earmarked reserve will be reduced by an equal amount.

## LEGAL IMPLICATIONS

- 7.1 There is, as is outlined in this report, a range of specific legal 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.
- 7.2 Amey Community Ltd is 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.

<b>Non-Applicable Sections:</b>	HR and Procurement
Background Documents: (Access via Contact Officer)	

## Appendix A: Planned Programme 2021/22

<b>Operational Premises</b>	<b>Works</b>	<b>Project Cost</b>	<b>Comments</b>
Blenheim Family Centre	Splitting water main	£25,000	To install new independent mains water supply to C&FC (existing supply shared with school)
Saxon Day Centre	Replacement windows and doors	£36,000	Replacement windows and doors to the garden elevation due to rotten timbers
Crystal Palace Park	Power cable and pumps	£60,000	Installation of new cable and two pumps on dinosaurs' island.
Harvington Estate	Partial demolition of pavilion	£30,000	Demolition of a structurally unstable section of the building following works to make safe
Alexandra Recreation Ground	Water supply pipe	£35,000	Replacement supply pipe to bowls club and paddling pool following a series of leaks/failures
Civic Centre Old Palace	Repairs to steps and handrails	£8,000	Provision of handrails to existing brick steps from rear of Palace
Kelsey Park Lodge	Roofing and internal repairs	£34,000	Repairs to defective roof and reinstatement of internal finishes
Walnuts Leisure Centre	Refurbishment of Air Handling Units	£59,000	Refurbishment of air handling plant serving the soft play area which has reached reasonable end of life
Beckenham Public Halls	New fire alarm system	£50,000	The existing fire alarm system has reached the end of serviceable life and requires replacement
West Wickham Leisure Centre	AHU to main pool	£22,000	Replacement controls
Fire Risk Assessment remedials	Remedial works	£50,000	Phase 2 of a remedial programme following requirements highlighted in FRAs
Library portfolio	Essential remedial works	£50,000	Contingency to allow for essential repairs and maintenance to roof coverings, fabric repairs and heating plant across all libraries
General Contingency	Emergency works	£50,000	General contingency to deal with in year emergency projects
<b>TOTAL PLANNED</b>		<b>£509,000</b>	