

PART ONE – PUBLIC

Decision Maker: EXECUTIVE

Date: 7th February 2024

Decision Type: Non-Urgent Executive Key

Title: OPERATIONAL BUILDING REPAIR AND MAINTENANCE BUDGET
2024/25

Contact Officer: Michael Jarman, Head of Facilities Management
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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: All Wards

1. REASON FOR REPORT

- 1.1 Members of the Executive will be considering the Councils draft 2024/25 Budget at their meeting on 7th February 2024. This report sets out indicative budget allocations reflected in the Draft 2024/25 Budget report for operational building maintenance against the repairs and maintenance budget.
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2. RECOMMENDATION(S)

Members of the Executive are asked;

- 2.1 Noting the 2024/25 Budget report to be considered by Executive on 7th February 2024, to approve the following expenditure for operational building maintenance for 2024/25.
- Repairs and Maintenance - £2.6m
- 2.2 To delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the planned programme and budget allocations within the repairs and maintenance budget to take actions necessary to either protect the council's assets or make the most effective use of resources.

2.3 Approval to transfer of £500,000 from revenue Building Infrastructure Fund to the OPR Fund in respect of works of roofing works that have been unable to be implemented within the 2023/24 financial year.

Roofing works - £500,000 (Blenheim Centre and Hawes Down Centre)

2.4 Approval for drawdown of £504,000 from the revenue Building Infrastructure Fund for works completed or committed within the financial year 2023/24. Delegation to spend the below was approved by executive in March 23 (report No. HPR2023/021).

Boundary Wall -	£ 57,000 (High Elms Estate)
Resurface car park -	£296,000 (Norman Park)
Repair brickwork -	£ 16,000 (Priory Gardens)
Infrastructure works -	£ 65,000 (Central Depot)
Asset survey -	£ 70,000 (Various)

Impact on Vulnerable Adults and Children

1. Summary of Impact: The maintenance of the estate is essential to enable the provision of services for children and vulnerable adults, such as those delivered from Children and Family Centres, Day Centres and other Council owned assets.
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Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority (delete as appropriate):
 - (1) For children and young People to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.Not Applicable
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: £2.6m annual revenue cost
 3. Budget head/performance centre: Repairs and Maintenance Budget
 4. Total current budget for this head: £2.5m
 5. Source of funding: 2024/25 Revenue Budget
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Not applicable
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Procurement

1. Summary of Procurement Implications: The Operational Building Maintenance Budget should be spent in accordance with the Councils Contract Procedure Rules
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Property

1. Summary of Property Implications: Budget spend is required to maintain estate in good order and in a compliant condition where the works being undertaken under the Operational Property Repair Programme (OPR) have yet to be implemented or are out of scope.
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: N/A
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Impact on the Local Economy

1. Summary of Local Economy Implications: N/A
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Impact on Health and Wellbeing

1. Summary of Health and Well Being Implications: N/A
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Customer Impact

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

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 As part of the continued transformation of the service, and following an understanding of maintenance requirements within the operational estate this report outlines the proposed allocations within the repairs and maintenance budget for 2024/25

Building Maintenance Budget for 2024/25

3.2 The maintenance budget is required to ensure that the Council fulfils its statutory and legal obligations for the periods before and during the OPR programme implementation together with the ongoing obligations on those properties not included within the OPR programme.

3.3 The annual repairs and maintenance budget is £2.6m and is broken down into the following budget headings.

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

3.4 The construction and building maintenance industry continues to experience disruption and protracted delays on the supply of some materials and components. Building cost inflation continues to rise albeit at a slower rate to that experienced in 2023.

Reactive Maintenance

3.5 Funding for reactive maintenance is allocated to individual service cost centres based on previous years 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.

3.6 The proposed budget for Reactive Maintenance for 2024/25 is £1,144,000.00, which represents 44% of the gross budget and maintains the same level as 2023/24

Cyclical Maintenance

3.7 Cyclical maintenance represents a periodic programme of weekly, monthly, or other set periods over the course of a year where statutory requirements and recommended maintenance routines are undertaken across the estate to an industry standard. It ensures compliance with statutory regulations, good practise and being pro-active.

3.8 The proposed budget for Cyclical Maintenance for 2024/25 is £572,000.00, which represents 22% of the gross budget an increase of £12,000.00

Asbestos Management

3.9 Asbestos management enables the council to meet its statutory obligations for the management of asbestos in its buildings, which includes asbestos management surveys, re-inspection surveys, asbestos management plans, testing material sample's, air monitoring and

the cost of asbestos surveys, including refurbishment and demolition surveys for individual projects should be included within that particular project cost code along with any subsequent asbestos removal works.

3.10 The proposed budget for Asbestos for 2024/25 is £104,000.00, which represents 4% of the gross budget and an increase of £12,000.00 from 2023/24.

Water Treatment Works

3.11 Includes undertaking water risk assessments, legionella testing, water sampling and remedial works to ensure the Council discharges its duties in line with L8 regulations across its estate.

3.12 The proposed budget for Water Treatment Works for 2024/25 is £260,000.00, which represents 10% of the gross budget a £11,000.00 increase from 2023/24.

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 undertaking assessments, but they should be carried out whenever there is a significant change which could affect the fire risk, including changes to the building, staff, occupancy, activities, legislation etc.

3.14 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 in respect of the buildings it occupies.

3.15 The proposed budget for Fire Risk Assessments for 2024/25 is £78,000.00, which represents 3% of the gross budget, an increase of £8,000.00 from the 2023/24 budget.

Planned Programme

3.16 A planned programme of replacement end of life assets is included within the gross 2024/25 budget which are either outside of the scope of the OPR programme or where work is essential in advance of the implementation of the OPR works.

3.17 These planned projects will be undertaken on operational properties across the estate, deemed necessary to maintain the asset, to satisfy the Council's obligations under the terms of a lease, or where the value of the repair cannot be funded from another budget.

3.18 The proposed budget for the Planned Programme for 2024/25 is £442,000.00, which represents 17% of the gross budget.

3.19 The following is a list of proposed planned projects to be undertaken during year 2024/25

SITE	WORKS	BUDGET VALUE £
Manorfields Residential Home	Replacement radiator valves, pipework etc.	50,000
Watermans Square, Penge	Restoration to brick arches	50,000
High Elms BEECHES	Restoration of boundary wall phase two	60,000
4 Cudham Lane	External decorations and replacement windows and external doors	60,000
1 Scadbury Cottage	Structural repairs to flank wall	40,000
Civic Centre MSCP	Replacement to external door sets	20,000
High Elms BEECHES	Replacement decking and steps to external elevations	20,000
Blenheim C&FC	Replacement water main	50,000
Den Barn Farm	Reconstruction of flint boundary wall	60,000
St Johns Church	Paving and associated works	32,000
Total Budget Value		442,000

3.1 The table below summarises section 3.1 to 3.19 to give an overview of the total plan for the R&M budget for the 2024/25 financial year.

TYPE OF WORKS	BUDGET 2024/25
Reactive Maintenance	£1,144,000
Cyclical Maintenance	£572,000
Asbestos Management	£104,000
Water Treatments Works	£260,000
Fire Risk Assessments	£78,000
Planned Programme of Repairs	£442,000
TOTAL BUDGET	£2,600,000

3.19 To provide best value for money the underspent funds from the Building Infrastructure Fund 2022/23 to be transferred and included within the OPR Fund to undertake roofing works not able to be implemented in the financial year 2023/24.

This is due to unavailability of suppliers and materials to accommodate the occupier's requirements for the programme for the works.

Summary of Business Case

3.20 This report requests approval for the allocation of the repairs and maintenance budget spend for 2024/25 across existing term contracts and operating with respect to the following; Reactive Maintenance, Cyclical Maintenance, Asbestos Management, Water Treatment Works, and Fire Risk Assessments. The additional works identified within the planned programme are building maintenance works to ensure the Council complies with its legal obligations on properties that are outside of the scope of the OPR or that are essential in advance of implementation of the OPR works. All works will be procured in accordance with the Council's contract procurement regulations.

4. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

4.1 **Estimated Value of Proposed Action:** The total repairs and maintenance budget for the period 2024/25 is £2,600,000.00

4.2 **Other Associated Costs:** N/A

4.3 **Proposed Contract Period:** 1ST April 2024 to 31st March 2025

4.4 **Procurement Strategy:**

4.5 The Reactive Maintenance, Cyclical Maintenance, Asbestos Management, Water Treatment Works and Fire Risk Assessments benefit from across existing term contracts and have no procurement requirements. The planned programme items included within the £442,000.00 2024/25 budget will be subject to procurement.

4.6 The works identified as part of the planned programme procured and implemented over the course of the budget period 2024/25 for completion by 31st March.

4.7 Each project will be individually designed and specified with procurement through the London Construction Programme (LCP). Established in 2012 and governed by London Borough of Haringey. This minor works Dynamic Purchasing System (DPS) went live in July 2019 and runs for an initial term of 7 years with an option to extend for a further period of 5 years. LBB have successfully procured a number of projects using the DPS and will continue to do so for as long as it is maintained by the LCP.

5. MARKET CONSIDERATIONS / IMPACT ON LOCAL ECONOMY

5.1 The individual items within the planned programme will be procured in accordance with the Councils procurement regulations.

5.2 The procurement for the individual planned programme projects will be via the Haringey LCP, Dynamic Purchasing System (DPS), an approved vehicle that is subject to competition among the providers who have been approved onto the DPS.

6. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

7. STAKEHOLDER ENGAGEMENT

8. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN) AND CUSTOMER IMPACT

8.1 The maintenance of the estate is essential to enable the provision of services for children and vulnerable adults, such as those delivered from Childrens & Family Centres, Adult Day Centres and other Council owned or leased assets.

9. POLICY IMPLICATIONS

9.1 The management of the Council's operational estate contributes to Ambition 5 of making Bromley Even Better: to manage our resources well, providing value for money and efficient and effective services for Bromley's residents.

10. IT AND GDPR CONSIDERATIONS

11. STRATEGIC PROPERTY CONSIDERATIONS

12. PROCUREMENT CONSIDERATIONS

12.1 This report is primarily concerned with financial and budget issues. There are no specific procurement decisions or implications.

12.2 Procurement of various works and services may arise utilising the confirmed budget. The service has confirmed that these will be delivered through existing contracts or through further competition through a suitable dynamic purchasing system, the use of which has been previously authorised.

12.3 Should a need arise to procure services, goods or works outside these existing routes, then any such procurement will be subject to the Public Contract Regulations 2015 (or the Procurement Act 2023 when that comes into force) and the Councils Contract Procedure Rules. Advice should be taken from the Corporate Procurement Team prior to any commencement of procurement and will be subject to separate formal Gateway reports and decisions at the appropriate level as required through the Contract Procedure Rules.

13. FINANCIAL CONSIDERATIONS

13.1 The paper requests members to note the R&M budget for 2024/25 which stands at £2.6m and approve the budget allocations and the planned works for the coming financial year.

13.2 The paper also requests approval to drawdown £500,000 from the Building Infrastructure fund earmarked reserve to be spent in 2024/25 on essential roofing repairs which comes to an estimated £500,000.

13.3 There is also a request to approve the drawdown of £504k from the Building Infrastructure fund in the current year to pay for works already completed and committed to be completed by March 2024, these are works over and above the in-year R&M budgets and were considered essential and urgent. Delegated authority to spend this has already been received, however this paper is now requesting the drawdown from the reserve.

13.3 There is sufficient balance left within the BIF reserve to fund the above repair work in 24/25 and the draft budget presented to Executive on the 17th of Jan can confirm an annual budget of £2.6m for the repairs and maintenance service.

14. PERSONAL CONSIDERATIONS

15. LEGAL CONSIDERATIONS

15.1 This report seeks executive approval to:

i) Authorise expenditure for Repairs and Maintenance at an estimated value of £2.6m for operational building maintenance for 2024/25;

ii) Delegate authority to the Director of Housing, Planning, Property and Regeneration to vary the planned programme and budget allocations within the repairs and maintenance budget to take actions necessary to either protect the council's assets or make the most effective use of resources; and

iii) Transfer £500,000 from revenue Building Infrastructure Fund 2022/23 to the OPR Fund in respect of works of roofing works that have been unable to be implemented within the 2023/24 financial year.

The Executive's functions include approval of the Budget (Revenue and Capital) and Budget monitoring during the course of the financial year as outlined in the constitution.

15.2 Under the Local Government Act 1972 the Council has the power to acquire land for the purposes of its functions. The Council has the implied legal power to provide, maintain and improve its buildings and land. In support of this the Council has a legal power under section 111 of the Local Government Act 1972 to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

15.3 There are 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 may 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.

15.4 Procurement of these works may fall within the Public Contracts Regulations 2015 or the Procurement Act 2023 when it comes into force and will require further detailed analysis as to the recommended Procurement approach. Each procurement will need to ensure it complies with the Councils Contract Procedure Rules and internal decision-making under the Councils' Constitution. Officers should seek specific procurement and legal advice on any procurement arising from this report.

16. IMPACT ON HEALTH AND WELLBEING

17. WARD COUNCILLOR VIEWS

Non-Applicable Headings:	6, 7, 10, 11, 14, 16, 17
Background Documents: (Access via Contact Officer)	Operational Building Repair and Maintenance Budget 2023/24 – 29 th March 2023 and Budget Report 2024/25

OFFICER SIGN OFF SHEET (NOT TO BE INCLUDED WITH PUBLISHED MEMBERS REPORT)

THIS SHEET CAN BE USED TO OBTAIN PHYSICAL OR ELECTRONIC SIGNATURES – BUT SIGN OFF VIA EMAIL (RETAINED AND UPLOADED TO CONTRACTS DATABASE) IS ACCEPTABLE

Title:

Decision: Gateway £500k+ / Extension £100k+ / Exemption £100k+ / Variation Change Control £500k+ / Variation Modification £100k+

Contact Officer:

Name

Title

Department

Agreed by (signature and date):

_____ Date: _____

Name

Budget Holder / Contract Owner

Title

Department

_____ Date: _____

Assistant Director Governance & Contracts

Required for all proceeding to procurement / variation (change control) £100k+ / Extension £50k+ / Exemption £50k+ / Variation Modification £50k+

_____ Date: _____

Director of Corporate Services

_____ Date: _____

Director of Finance

Required for all proceeding to procurement / variation (change control) £100k+ / Extension £50k+ / Exemption £50k+ / Variation Modification £50k+

Approved by (signature and date):

_____ Date: _____

Chief Officer

Name

Title

Department

Required for all extension / exemptions / variation (modifications). Required for proceeding to procurement / variation (change control) £200k+