

BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

**Report of the Executive
Director of Core Services**

ASSET MANAGEMENT PLAN - PLANNED MAINTENANCE PROGRAMME 2018-2019

1. Purpose of Report

- 1.1 To obtain approval to the 2018-2019 Asset Management Plan Planned Maintenance Programme, delegated authority to vary the programme, and invoke Contract Standing Order 3.2(b) in respect of identified building services schemes at key corporate buildings.

2. Recommendations

- 2.1 **That the list of schemes identified as priorities for each Service be agreed and that NPS Barnsley Ltd, in conjunction with the Service Director Assets, be authorised to place orders for the work.**
- 2.2 **That the Service Director Assets be authorised, in consultation with the relevant Service and the Cabinet Spokesperson for Core Services Directorate, to vary the programme within the overall financial approval.**
- 2.3 **That, in accordance with Contract Standing Order 10.1(h), Contract Standing Order 3.2(b) be invoked to allow single tenders to be received from the NPS Works Planning and Delivery, subject to these being checked for value for money against previously tendered works, such an exception being justified on the grounds set out in Section 4.**
- 2.4 **That, in the event that the planned maintenance budget for 2018-2019 is not fully expended, the value of any committed works be rolled forward in addition to next year's planned maintenance allocations.**

3. Introduction

- 3.1 The 2018-2019 programme is based on the principles of good asset management practice. The Service Director Assets has instigated an asset management planning system in accordance with Government and RICS guidelines.
- 3.2 The compilation and prioritisation of the Planned Maintenance Programme takes place by identifying service priorities and reviewing them against the business units business plans in relation to service need of that property. Following this the Council's Asset Management Team and Service Managers of the Council jointly produce a schedule of maintenance priorities originating from Service Plans. This

year's consultations are set out in Appendix B, along with projections for a further 4 years based on current service needs.

3.3 NPS Barnsley Ltd, in conjunction with the Service Director Assets, then undertakes the following:

1. Produces a comprehensive list of the Authority's priorities by collating the service lists. Due to the scale of the Council's maintenance backlog, this list always exceeds the resources available.
2. Uses a risk management system to prioritise the maintenance proposals against the available resources, i.e. worst first. Some items are prioritised by services alone because they are urgent health and safety risks.
3. Assess the available condition data to globally prioritise all identified maintenance needs for the Authority across the four priority bands, however this is a snapshot of the condition of the assets, and in some cases is now a number of years old. Data from more recent surveys and inspections now takes priority in terms of identifying the maintenance need of the asset.

Following the undertaking of the tasks identified above, a priority description is then attached to the identified works to be undertaken.

The Priority Description that is utilised is assigned as follows:

1. Urgent works 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.
 2. Essential work required within 2 years that will prevent serious 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.
 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.
 4. Long-term work required outside the five year planning period that will prevent deterioration of the fabric or services.
- 3.4 A full review of cyclical maintenance in Council buildings is carried out annually, to ensure that the Council is meeting statutory and insurance obligations. A key benefit of a comprehensive cyclical maintenance programme is that by maintaining stock effectively, efficiency will be maximised and the life of components within buildings will be prolonged. The cost of carrying out cyclical maintenance is mainly met from the repairs and maintenance budget.
- 3.5 The Council approved an overall Planned Maintenance budget of £1.466 million for 2018-2019.

- 3.6 This financial year £390,000 has been allocated for buildings managed by the Barnsley Premier Leisure Trust. This is to ensure that the premises are functionally satisfactory and that the Council's Landlord obligations under the lease to Barnsley Premier Leisure are met. This predominantly involves external repairs, such as roofing and windows and plant and machinery.
- 3.7 A further £90,000 will be "top sliced" from the remaining budget for statutory and legislative measures such as legionella prevention (water hygiene management) - £40,000 and asbestos contingency measures - £50,000. In addition £50,000 will be allocated to meet leasing obligations within properties both with the Council acting as landlord and tenant.
- 3.8 The Council undertake a 5 year electrical testing programme and £100,000 will be allocated for this to take place. These amounts will be held centrally and allocated to services based on service cycles, annual service contracts and service reports. A £5,000 allowance has also been made for property fire risk assessments. Finally, professional fees of £85,000 will be payable to NPS Barnsley Ltd for managing the Planned Maintenance Programme. This will leave a remaining balance of £746,000 for allocation on identified schemes as detailed in the process reported in paragraph 3.2 and 3.3.
- 3.9 The water hygiene management programme has been developed and is now a holistic programme that links testing with remedial and preventative works. A programme of risk assessments is now in place on all corporate property and bespoke monitoring regimes are being developed following the risk assessment on the individual properties. A specific budget has now been earmarked for the risk assessments and the monitoring through planned maintenance. As remedial work is identified this will be delivered from the planned maintenance budget. This budget will be reviewed on an annual basis to ensure that the legislative nature of this work is adequately financed.
- 3.10 From time to time the Council is able to access funding streams such as SALIX which provides match funding for proven technologies which are cost effective in saving CO2 and will enable any further energy saving technologies. Therefore where schemes of work are to be undertaken on assets that meet the SALIX criteria, BMBC are proposing to access this funding to provide further value for money. Wherever possible in addition other capital allocations schemes are sought to "top up" existing planned works and improve value for money

4. Proposal and Justification

- 4.1 There are a number of works that are given as a single tender to NPS Barnsley as the Council's strategic property partner. This supports the partnership and specifically enables them to continue the capacity to provide an emergency building services out of hours capacity.
- 4.2 It is proposed that the NPS Barnsley Ltd Works Planning and Delivery Service, who have the capacity, technical capability and knowledge of corporate building services, are commissioned to deliver named building services schemes, anticipated value of £400,000 under an arrangement based on best value principles and subject to

performance monitoring. The schemes are identified at Appendix B, subject to these being checked for value for money against previously tendered works. The cost of evaluating value-for-money will be met by NPS Barnsley.

- 4.3 Therefore, the report seeks to invoke Contract Standing Order 3.2(b) to allow single tenders to be received from NPS Barnsley Ltd Works Planning and Delivery Section, in order that the Council's partner NPS Barnsley's resources are engaged to optimum capacity on service schemes to the value of £400,000 in 2018/19 (see items 5.1 and 5.2).
- 4.4 The benefits for allowing NPS Barnsley's works team to undertake the works are:-
- Ensuring/checking regulatory and statutory systems compliance while undertaking planned maintenance.
 - Reducing procurement process and transaction costs.
 - Improving project, contract and asset management.
 - Value for money gains will be realised in price savings and higher quality in the form of:-
 - NPS Barnsley Ltd Works Planning and Delivery input into pre-planning, value engineering and early ordering of long-lead-in items.
 - Avoiding waste and abortive costs associated detailed knowledge of plant, equipment and systems.
 - Shorten timescales and reduce preliminaries.
 - Single line of responsibility, clarity of roles and communication with building managers and users.
 - Single point of contact.
 - Risk avoidance – NPS Barnsley Ltd Works Planning and Delivery control over checking regulatory and statutory systems compliance.
 - Price avoidance - reduced set up costs and preliminaries.
- 4.5 The remaining schemes will be put out to the market to give local and regional providers an opportunity to deliver the work packages.
- It is difficult to determine with any certainty the extent of which particular works will incur professional fees. A fixed budget, therefore, for Professional and CDM Regulation Fees (£85,000) is used to deliver the full Planned Maintenance Programme in terms of planning the programme, procuring and overseeing the works undertaken.
- 4.6 Members have the option of varying the allocations between Services, where not committed, or to vary individual schemes.
- 4.7 The schemes proposed for this 2018-2019 programme are shown at Appendix B attached.
- 4.8 From time to time, it is necessary to revise the programme where priorities arise, for example, failure of boiler plant, and it is recommended that NPS Barnsley Ltd, in conjunction with the Service Director Assets, be authorised to vary the programme, in consultation with the Cabinet Spokesperson for Core Services Directorate, within

the overall financial approval. Changes agreed in this way will be reported to Cabinet.

- 4.9 In the event that the Planned Maintenance budget for 2018-2019 is not fully expended, special consideration is given to roll forward the value of any committed works. The reasons for this include inclement weather, urgent response works from both the Service Director Assets and NPS Barnsley Ltd Works Planning and Delivery. Failure to carry forward these items results in a negative effect on next year's allocations as Service Areas already have committed funds against their allocations.

5. Consideration of Alternative Approaches

Alternative approaches are as follows:

- 5.1 Do Nothing – This approach would increase the risk of third party claims, not meet statutory compliance, building stock would continue to deteriorate, resulting in asset value depreciating.
- 5.2 Transfer of budget to reactive repairs and maintenance budget – this would limit the ability to manage the budget and the potential to package works and procure in the most cost effective way. Operationally, it would be more likely that this would result in closure of facilities and potentially impact on service delivery, impacting on BMBC's resilience as a result of non-planned breakdowns or failures.

6. Impact on Local People

- 6.1 The investment in the buildings through the Planned Maintenance Programme will make the buildings more sustainable in the longer term and provide better accommodation for those who use the buildings.
- 6.2 The proposed programme of works on the properties detailed in this report and the investment in the planned maintenance will have a significant impact on the people using these properties and the local areas

7. Financial Implications

- 7.1 Total resources of £1.466 million are available for the Planned Maintenance Programme incorporating works and fees. This is funded by previously agreed budgets. The current estimated costs total £1.583 million. This report is not however seeking additional resources, as a number of the costs within the proposed programme are estimated at this stage and through effective procurement it is anticipated that efficiencies can be made to enable the specified programme to be delivered within budget.
- 7.2 Should there be any slippage from the 2017-2018 Planned Maintenance Programme, related to works committed but not yet completed, then it is proposed to put this forward as an earmarking seeking approval as part of the 2017/18 final accounts process, to be submitted to Cabinet.

7.3 The Planned Maintenance Programme for 2018/19 will have partial VAT exemption implications for the council but these can be contained within the de minimus limit for 2018/19

7.4 The financial implications are detailed in the attached Appendix A

8. Employee Implications

8.1 A number of the proposed schemes will improve the working conditions for employees. Examples of this include boiler or roof renewals, internal decorations and toilet refurbishments. A full list of schemes can be seen in Appendix B.

9. Communications Implications

9.1 Close working with services will ensure that, where operations within buildings are affected by works carried out as part of this programme, this is effectively communicated to stakeholders.

10. Consultations

10.1 In preparing the draft planned maintenance programme, the Strategic Maintenance Manager has collaborated with the following Service Managers and/or their representatives:

- Barnsley Premier Leisure: Mick Daley, Joanie Milthorpe and Lee Brown.
- BMBC: Tony Taylor, Lynn Dunning, Stephanie Evans, Pete Howell, Ann Untisz, Anthony Devonport, Mick Clegg, Tim Hartley, Jo Birch, Julie Hammerton, Claire Gilmore, Liz Taylor, and Kathryn Green

11. The Corporate Plan and the Council's Performance Management Framework

11.1 The planned maintenance programme supports our Future Council characteristics as follows:

Clear vision and values

Collaboration with services throughout the development of the programme is open and transparent, with a team approach to identifying priorities.

Customer focus

The works identified ensure BMBC buildings are accessible to all. All affected BMBC services are consulted during programme development and prioritisation.

Commercial and business acumen

As detailed in clause 4.1, all works will be procured in accordance with BMBC contract standing orders with the exception of works directly awarded which will be subject to value for money check and comparison with benchmarking data.

Effective delivery of projects and programmes

Services will be consulted on how the works will affect stakeholders and the works subsequently programmed to minimise disruption. A programme of works will be prepared accordingly and regular meetings will take place to continuously monitor the delivery of the programme.

Innovative and managed risk taking

A risk management system is utilised to prioritise the maintenance proposals against the available resources, i.e. worst first, taking into account potential for third party claims and property dilapidation. Consultation with Risk Management takes place where programme works dictate.

Learning organisation

A third of the works programme will be delivered by NPS Barnsley, who have signed up to the apprentice programme. Existing information retained by BMBC relating to the asset portfolio will be used to inform on the condition of buildings and assist in the allocation of funds for planned maintenance.

Leaders at every level

Programme delivery officers work towards the successful execution of the plan and are authorised to make decisions as appropriate.

Flexible workforce

To minimise disruption to services located in affected buildings, out of hours working will be employed as required.

Working with our partners, communities and residents

Services will be consulted on how the works will affect stakeholders and the works subsequently programmed to minimise disruption.

12. Promoting Equality and Diversity and Social Inclusion

- 12.1 The Planned Maintenance Programme will offer practical assistance, in the form of physical improvements to public buildings, to overcome social exclusion in respect of access to Council services.

13. Tackling Health Inequalities

- 13.1 The planned maintenance programme will offer practical assistance, in the form of physical improvements to public buildings (eg lift maintenance), to overcome exclusion on health grounds in respect of access to Council services.

14. Reduction of Crime and Disorder

- 14.1 In investigating the options set out in this report, the Council's duties under Section 17 of the Crime and Disorder Act have been considered.
- 14.2 Planned maintenance works have been identified and prioritised by services to provide an effective contribution to crime and disorder reduction; in particular, antisocial behaviour and property related crimes such as graffiti and vandalism. As well as crime and disorder reduction, these are a key influence on the need to spend on responsive repairs, e.g. security measures such as boarding up. Where there is evidence of antisocial property crime, planned maintenance activities will be directed to support the work of Safer Neighbourhood Teams.

15. Risk Management issues

- 15.1 The planned maintenance programme is based on a Risk Management System that ensures resources are targeted where they are most needed. This process and how a risk rating is applied to the works to establish a priority ranking is set out in Section 3 of this report.

16. Health, Safety and Emergency Resilience Issues

- 16.1 The planned maintenance programme takes into consideration planned works to ensure buildings can continue to operate in the event of component failure eg installation of back up plant, improving business resilience of council services.
- 16.2 Recommendations from the buildings health and safety risk assessments prepared by the BMBC Health and Safety Unit are factored into the planned maintenance programme.
- 16.3 The Construction (Design and Management) Regulations 2007 (CDM) Notification will apply to some projects. The purpose of CDM is to ensure that the health and safety is co-ordinated and managed throughout all stages of a construction project in order to help reduce accidents, ill-health and costs. The Council will have 'client' duties defined by CDM. The CDM Section of NPS Barnsley Ltd will carry out the CDM Co-ordinator duties.

17. Conservation of Biodiversity

- 17.1 Consultations with the appropriate agencies will be undertaken for all applicable schemes.

18. Glossary

- 18.1 Not applicable.

19. List of Appendices

- 19.1 Appendix A – Financial Implications.
- 19.2 Appendix B – Prioritised Schemes by Service.

20. Background Papers

- 20.1 Correspondence regarding this matter is held on the files in Asset Management – not available for inspection contains exempt information

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Tim Hartley