



Cabinet

30 JANUARY 2012

LEADER

Councillor Stephen Greenhalgh

DEPUTY LEADER (+ ENVIRONMENT AND ASSET MANAGEMENT)

Councillor Nicholas Botterill

CABINET MEMBER FOR CHILDREN'S SERVICES

Councillor Helen Binmore

CORPORATE PLANNED MAINTENANCE PROGRAMME 2012/2013

**Wards:
All**

The purpose of this report is to provide proposals and gain approval for the 2012/2013 Corporate Planned Maintenance Programme. The works that constitute the programme are split between revenue and capital.

1)The Revenue programme in the sum of £1.237 million (Appendix A) is based upon the authorities unavoidable plant maintenance and statutory compliance responsibilities.

2)The Capital programme (Appendix B) in the sum of £2.5 million is based upon the maintenance requirements identified by survey by EC Harris LLP. All works will be the subject of close scrutiny in respect to obtaining best value and only works of an essential nature will be undertaken. It should also be noted that the final commitment of any individual capital project over £20,000 is subject to a Cabinet Member Decision or Key Decision subject to value of works.

CONTRIBUTORS:-

EDTTS
EDFCG,
AD(LDC) and AD(PITS)
Corporate Asset
Delivery Team
ADLDS

Recommendations:

- 1. That the 2012/2013 Corporate Planned Maintenance Programme and scheme budgets (Appendices A and B) be approved, subject to any amendments as agreed for operational reasons by the Executive Director of Finance and Corporate Governance and the Assistant Director Building and Property Management.**
- 2. That the Corporate Planned Maintenance Programme be monitored, incorporating operational changes made by the Executive Director of Finance and Corporate Governance and the Assistant Director Building and Property Management via progress reports to the Deputy Leader.**

**HAS A EIA BEEN COMPLETED?
YES**

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?
N/A**

1. BACKGROUND

- 1.1 The purpose of this report is to provide Members with proposals for the 2012/2013 Corporate Planned Maintenance Programme (CPMP) which is a fundamental element of the Council's strategy for dealing with the backlog of maintenance in response to the Asset Management Plan.
- 1.2 The CPMP is an annual programme of works to be carried out to Council properties excluding Housing and Schools which have their own separate programmes. The CPMP is made up of two main elements. The first element (Appendix A) being revenue funded works primarily covering servicing, associated repairs and testing of plant and equipment within buildings. A large element of this is required to meet statutory obligations (fire alarms, emergency lighting, electrical testing, boilers, lifts, portable electrical appliances, control of Legionella) and is therefore unavoidable. The second element (Appendix B) is capital funded and concerns refurbishment works or the replacement of plant and equipment to buildings and arises from building surveys and bids from departments. This element has much more discretion on what is included in the programme for any particular year.
- 1.3 The opportunity is always taken to incorporate, where feasible, improvements to energy efficiency (e.g. new controls, more efficient equipment, Smart metering or higher levels of insulation) and improvements to access for disabled people (deaf alerts to fire alarms, accessible heights for controls, contrasting colours etc). The CPMP programme also co-ordinates and links to the Council's Removal of Physical Barriers (Disability Discrimination Act) programme in the provision of lifts, ramps and accessible toilets.

2. THE 2012/2013 CORPORATE PLANNED MAINTENANCE PROGRAMME – APPENDICES A & B

- 2.1 The unavoidable revenue programme is detailed in Appendix A. This sum has increased marginally from the 2011/2012 level of £1.220 million to £1.237 million. The following factors should be noted;
 - This year no addition sum has been included for inflation, as the major mechanical maintenance contracts have only recently been tendered and hence inflation increases are already reflected in the revised annual budgetary sum identified.
 - The budgetary allocation for asbestos surveys has been increased due to the legislative changes in the requirements appertaining to the councils responsibilities for the management of asbestos.
 - It should also be noted that although there has been a reduction in demand on resources as the size of the property portfolio has decreased, to date, this has tended to have been balanced out by the increase in demand for the associated works flowing from the various areas of Health & Safety compliance.

- 2.2 Appendix B provides details of the recommended new capital schemes for 2012/2013 which match resources. It also provides indicative projects for first consideration for funding in 2013/2014 and 2014/2015. However it should be noted that the programmes for 2013/2014 and 2014/2015 are already over subscribed and hence there is little or no opportunity to bring forward projects currently identified in the un-funded programmes. This will therefore need to be reviewed and prioritised to match the available resources and will subsequently be the subject of the CPMP 2013/2014 report this time next year.
- 2.3 Therefore as in previous years it is proposed that in order to deal with any operational changes to buildings or if urgent but un-funded works become apparent through the year, that the programme be subject to change and scheme substitution by the Executive Director of Finance and Corporate Governance and Assistant Director for Building Property Management in conjunction with Corporate Asset Delivery Team (CADT). As was the case for the 2011/2012 CPMP, quarterly monitoring (Cost, Progress and Variation) reports will be issued to CADT and the Environment Cabinet Member meeting (ECM) throughout the year.
- 2.4 The budget allocation against each capital scheme is at this stage indicative and subject to change as detailed design, consultation, and procurement are carried out. Historically some projects have cost more and others less than their initial budget allocation but the overall programme is managed and monitored via the quarterly reports to CADT and ECM to ensure the total expenditure does not exceed resources.
- 2.5 The commitment of any individual capital project over £20,000 is subject to a Cabinet Member's Decision, providing the schemes falls within the criteria laid down in Contract Standing Orders (Ref 8.3) as detailed in Section 6 of this report. The overall spend on the programme and forecasted outturns (Capital and Revenue) are monitored via the General Fund, Capital Programme and Revenue Budget monthly reports to Cabinet.
- 2.6 The approval process for this report is as follows;

Report / Programme to CADT meeting :-	5 th December 2011
Report / Programme EMT Meeting:-	7 th December 2011
Report / Programme to ECM :-	5 th December 2011
Report / Programme to Cabinet Approval :-	30 th January 2012

3. THE 2012/2013 CORPORATE PLANNED MAINTENANCE PROGRAMME - FUNDING

- 3.1 The budget for planned maintenance in 2012/2013 comprises £2.5 million capital. This sum must be considered provisional at this stage, as final funding approval will not be obtained until 29 February 2012 at Budget Council. The revenue allocation has increased marginally from the 2011/2012 level of £1.220 million to £1.237 million. This sum funds the unavoidable element of the programme which covers servicing and other non capital works. The unavoidable revenue programme is detailed in Appendix A.
- 3.2 Whilst this level of funding will be able to deal with essential health and safety works, items to maintain wind and weather tightness and be able to continue to address the backlog of maintenance, Members should be aware that there is still a significant backlog outstanding (circa £16.3 excluding Hammersmith Town Hall Extension and Fulham Town Hall).
- 3.3 As well as allocating capital resources, the Council's Asset Management Plan continues to address the issue of backlog maintenance along with developing its Corporate Asset Management Strategy in line with the Council's Medium Term Financial Strategy. The backlog continues to be taken into account through the rationalisation of the Council's property portfolio, helping to identify those properties for disposal or refurbishment. The forward capital programme has prioritised and maintained the allocated £2.5 million capital funding for this purpose in order to continue to address and manage the backlog.
- 3.4 As part of the CPMP, condition surveys of the Council's property portfolio have been carried out during 2011. The information obtained provided invaluable up to date information on the Council's property assets in respect to providing a programme for future maintenance and an up to date assessment of the backlog maintenance liability.

4. FEES

- 4.1 The professional services previously provided by Building Technical Services (Transport and Technical Services Directorate) are now, following market testing, being provided by EC Harris LLP. Consequently, fees are calculated on the basis of the tendered schedule of rates plus the cost of the Client Agent Team, which is funded via a percentage fee to the value of the commissions placed. Fees are charged on the basis of 15% with final account reconciliation at the end of each financial year.

5. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

- 5.1 Provision of £2.5 million is set aside within the 2012/13 Capital Programme for the Corporate Planned Maintenance Budget. Allowance is also provided for the £1,237,000 revenue charge within forward financial estimates.

6. COMMENTS OF THE ASSISTANT DIRECTOR FOR PROCUREMENT & IT STRATEGY

- 6.1 The Council's Contract Standing Orders (CSO) requires that Cabinet approval is given for all tender acceptances or orders to be placed under existing framework agreements where the value equals or exceeds £100,000. An exemption to this provision is contained in section 9 of CSO whereby the appropriate Cabinet Members can approve such tenders or orders where the actual value is below the estimated value and that estimated value has previously been approved by the Cabinet as a key decision. This report asks the Cabinet to approve such schemes for the forthcoming financial year as a key decision.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 7.1 The AD (Legal and Democratic Services) agrees with the recommendation of this report. The Council should ensure that individual projects are procured in accordance with the EU Procurement Rules and the Council's contract standing orders.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Brief Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Correspondence and details of individual schemes, un-funded programmes, indicative programmes for future years	Mike Cosgrave Extension: 4849	BPM/EnvD 6th floor Hammersmith Town Hall Extension King Street Hammersmith, W6 9JU
2.	Property Surveys		
3.	Details of Servicing Contracts to Plant and Equipment		
4.	Asset Management Plan	Miles Hooton Extension: 2835	