

Cabinet

8 FEBRUARY 2010

LEADER

Councillor Stephen Greenhalgh

**DEPUTY LEADER
(+ ENVIRONMENT)**

Councillor Nicholas Botterill

**CABINET MEMBER FOR
RESIDENTS SERVICES**

Councillor Paul Bristow

**CABINET MEMBER FOR
PARKS, CULTURE AND
HERITAGE**

Councillor Frances Stainton

**CABINET MEMBER FOR
CHILDREN'S SERVICES**

Councillor Sarah Gore

CONTRIBUTORS

ENV(BTS)
DFCS
Corporate Asset
Delivery Team
ADLDS

<p>HAS A PEIA BEEN COMPLETED? YES</p>
--

**CORPORATE PLANNED MAINTENANCE
PROGRAMME 2010/2011**

**Wards
All**

The purpose of this report is to provide proposals for the 2010/2011 Corporate Planned Maintenance Programme.

Recommendations:

- 1. That the 2010/2011 Corporate Planned Maintenance Programme and scheme budgets (Appendices A and B to this report) be approved, subject to any amendments as agreed for operational reasons by the Assistant Director Building and Property Management and the Director of Finance and Corporate Services.**
- 2. That the Corporate Planned Maintenance Programme be monitored, including operational changes made by the Assistant Director Building and Property Management and the Director of Finance and Corporate Services, via progress reports to the Deputy Leader.**

1. BACKGROUND

- 1.1 The purpose of this report is to provide Members with proposals for the 2010/2011 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 2010/2011 CORPORATE PLANNED MAINTENANCE PROGRAMME – APPENDICES A & B

- 2.1 The unavoidable revenue programme is detailed in Appendix A – total value £1,220,000. This represents an increase from the 2009/10 budget (£1,177,000) due to two factors. Firstly an increase in the maintenance regime for Legionella Prevention and general water system treatment, resulting from the greater utilisation of office accommodation. Secondly and as was the case with the 2009/2010 CPMP revenue programme, a budget increase in line with inflation indices, due to the forecast costs for plant maintenance contract indices showing an increase of approximately 2.65% across the revenue programme.
- 2.2 Appendix B provides details of the recommended new capital schemes for 2010/2011 which match resources. It also provides indicative projects for first consideration for funding in 2011/2012 and 2012/2013. However it should be noted that the programmes for 2011/2012 and 2012/2013 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 2011/2012 report this time next year.

- 2.3 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 Assistant Director for Building Property Management and the Director of Finance and Corporate Services in conjunction with Corporate Asset Delivery Team (CADT). As was the case for the 2009/2010 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 £50,000 is subject to a Cabinet Member 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.

3. THE 2010/2011 CORPORATE PLANNED MAINTENANCE PROGRAMME - FUNDING

- 3.1 The budget for planned maintenance in 2010/2011 comprises £2.5 million capital. The revenue allocation has increased from the 2009/2010 level of £1.177 million to £1.220 million (See 2.1). This sum funding the unavoidable element of the programme which covers servicing and other non capital works.
- 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 million excluding Hammersmith Town Hall Extension).
- 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 the next three years, in order to be able to continue to address and manage the backlog.
- 3.4 As part of the CPMP process and to support the installation of the new corporate asset management system (CAMSYS), condition surveys of the Council's property portfolio will be carried out during the early part of 2010. The information obtained will provide invaluable up to date information on the

Councils property assets in respect to providing a "road map" for future maintenance and an up to date assessment of the backlog maintenance liability.

4. FEES

- 4.1 Following the market testing of Building Technical Services, the provision of the associated professional services required to deliver this programme of works will be provided by E.C. Harris LLP. This will be in accordance with their contract for service delivery and fees will be applied on the basis of their schedule of rates. Provision for fees at 15%, which includes Client Agent Costs, has therefore been applied to this programme.

5. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 5.1 Provision of £2.5m is set aside within the 2010/11 Capital Programme for the Corporate Planned Maintenance Budget. Allowance is also provided for the £1,220,000 revenue charge within forward financial estimates.

6. COMMENTS OF THE ASSISTANT DIRECTOR FOR PERFORMANCE & PROCUREMENT

- 6.1 In terms of the approval process, the Council's Contract Standing Orders (CSOs) set out a method of awarding contracts for pre-published schemes that have been approved by the Cabinet under the Capital or Planned Maintenance Programmes as a Key Decision.
- 6.2 The CSOs provide that for all schemes under these programmes that are within budget estimates that the appropriate contracts can be awarded under delegated powers to the appropriate Cabinet Member (where the value is less than £1,000,000) or the Leader and the appropriate Cabinet Member(s) (where the value is between £1,000,000 and less than £5,000,000).

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

- 7.1 The Council may lawfully proceed on the basis proposed in the report.

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	