

## **Report to the Cabinet**

**Report reference:** C-039-2011/12  
**Date of meeting:** 5 December 2011



**Portfolio:** Performance Management

**Subject:** Civic Offices, Other Operational Buildings and Commercial Property – Planned Maintenance programmes 2012/13 to 2016/17.

**Responsible Officers:** Mike Tipping (01992 564280).  
Mike Hobbs (01992 564150).

**Democratic Services Officer:** Gary Woodhall (01992 564470).

---

### **Recommendations/Decisions Required:**

- (1) That the Five Year Planned Maintenance Programme 2012–2017 for Operational and Commercial Properties be approved.**
- (2) That the progress with works approved for 2011/12 both capital and revenue, be noted (Appendix 1 refers);**
- (3) That the Cabinet decides the level of Capital and Revenue expenditure to be implemented in 2012/13 for essential and planned maintenance works at the Civic Offices and other Operational Buildings and Commercial property (Appendix 2 refers);**
- (4) That the Cabinet decides the level of bids to be made for essential and planned maintenance works at the Civic Offices and other Operational Buildings and Commercial property for the years 2013/14 to 2015/16 (Appendix 3 refers);**
- (5) That the Cabinet notes the Capital and Revenue spending profiles for essential and planned maintenance works at the Civic Offices, other Operational Buildings and Commercial property for the 5 year period 2011/12 to 2015/16 (Appendices 4 and 5 refers); and**

### **Executive Summary:**

This report:

- (a) Gives a comprehensive progress report on all planned maintenance items approved for 2011/12.
- (b) Sets out the already approved capital and revenue expenditure for 2012/13 to enable Cabinet to review their previous decisions on the level of spending to be implemented:
- (c) Makes capital bids of £22,000; £13,000; and £227,000 for projects for the years 2013/14; 2014/15; and 2015/16: and
- (d) Sets out the spending profiles both Capital and Revenue for the 5 years 2011/12 to 2015/16.

### **Reasons for Proposed Decision:**

A proactive approach to Facilities Management for all operational buildings and commercial property will ensure that:

- (a) the buildings and their infrastructure will be maintained to an appropriate level meeting health and safety, statutory regulations and contractual obligations;
- (b) the buildings and their infrastructure will be brought to a standard to comply with EU statutory regulations;
- (c) the risk of unreliability and failure of critical systems, services and building fabric is reduced;
- (d) good financial management through forecasting is maintained; and
- (e) performance standards/indicators are maintained or improved upon.

### **Other Options for Action:**

(i) Do nothing. This would lead to deterioration of building fabric and systems which could result in risk to health and safety of staff and public, loss of service and income, increase future management liability, reduced property asset value, breach of legal obligations in respect of commercial leases and contract requirements. There is also a risk that the buildings and infrastructure may not meet future needs of the Council.

(ii) Defer action until fabric, systems or equipment fails. This would cause varying degrees of disruption depending on the extent of failure and/or system involved and the time scale for procurement and rectification of the defect. Depending on the nature of the failure it could also lead to damage to other parts of the building fabric or services. This option would also lead to a request(s) for supplementary finance at the time and have a negative effect on performance standards. The performance of the Council's operations and functions may be compromised.

### **Report:**

1. At the Council's request a report is submitted to Cabinet each year showing the status of planned and preventative maintenance in relation to the Civic Offices complex combined with the other Operational Buildings and Commercial Properties. The format previously agreed has been used in the compilation of this latest report. As last year, all projects are classified into one of seven different categories. These are explained in more detail in paragraph 43 below.
2. A spending profile for both capital and revenue expenditure for the 5 year period 2011/12 to 2015/16 has been provided so that Cabinet can see the level of investment that has already been made and that which is proposed.
3. A number of new matters reflected in the report and schedules are worthy of more detailed explanation.

### **Project Cost Estimates – Capital and Revenue**

4. The figures included for proposed projects from 2012/13 onwards are budget prices taken from the 5 year Planned Maintenance Programme and Survey and compiled by the author of the survey in consultation with the professional staff in the Facilities Management Section. Where appropriate all projects will be subject to competitive quotation or tender.

5. Capital projects include an estimated allowance for internal staff costs. However it should be noted that the staff cost elements are already included in the continuing services budget (salaries budget) and are simply re-allocated from the CSB to the capital project cost. They do not constitute additional expenditure.

#### Five Year Planned Maintenance Survey

8. The Council has previously approved a Five-Year Planned Maintenance Programme for the period 2007-12. This approval was in line with the Audit Commission's recommendations and the Council's Asset Management Plan 2007-12. The programme, based on a condition survey carried out by a firm of consultant surveyors, is necessary to implement the Council's on going asset maintenance commitments, and maintain the condition ratings which are now included as local indicators in the Asset Management Plan and which have previously been reviewed by the Finance and Performance Management Scrutiny Panel.

9. The property condition categories are Good; Satisfactory; Poor and Bad. The Planned Maintenance Report 2011/12 shows that 28% of operational property is maintained to a good standard and 72% to a satisfactory standard. No buildings were categorised as poor or bad.

10. To maintain those standards and indeed the value of the assets requires regular ongoing investment. The current level of investment is aimed at maintaining the current percentage ratings for categories good and satisfactory. To improve the percentage of properties in the good category would require additional investment but, and perhaps, more importantly a reduction in investment over current levels would have a negative impact on the current standards and could see the ratings for individual properties do down.

11. A new Five Year Planned Maintenance Programme has been produced for the period 2012 to 2017. The programme is based on a survey undertaken by the Council's Head of Building Control in consultation with officers from the Facilities Management Section.

12. The proposed maintenance programme is based on maintaining the properties to a satisfactory condition or better but makes no allowance for improving properties to a higher category.

13. That said four properties, Waltham Abbey Swimming Pool, Oakwood Hill Industrial Units (two blocks), Pyles Lane Nursery Loughton and Town Mead Depot Waltham Abbey have all been downgraded to category Poor in the latest survey. This is explained in more detail in the following paragraphs.

#### Waltham Abbey Swimming Pool

14. The premises comprise a main swimming pool with high level flat roof in the centre of low level flat roofs to ancillary areas comprising training pool, changing facilities, gymnasium, studio, staff areas and plant rooms. The different parts of the structure vary in age from about 40 years old for the original structure to about 5 years old for the most recent studio extension.

15. The survey has found the main roof over the swimming pool, the roofs over the teaching pool, plant rooms, reception and changing rooms to be in poor condition and in need of replacement. Other problems related to inadequate drainage for surface water from the roof areas were also noted.

16. Because of the significance of these findings a second opinion was sought from Stace Building Surveying who have inspected the roof areas and produced a report confirming the general poor condition of the roof and recommending that it should be replaced. In their report

Stace has also recommended that a further structural survey of the existing deck structure should be undertaken.

17. Stace estimate the cost of replacement works to be in the region of £450,000 to which allowance must be made for statutory compliance, professional fees and VAT.

18. It is proposed to analyse the report findings in more detail, undertake the additional structural survey recommended and submit a full and detailed report to a future meeting on all the implications with options for action.

#### Units 22-27 and 28-39 Oakwood Hill Industrial Estate Loughton

19. The above premises are in two blocks, one of single storey construction and the other of two storey construction.

20. The survey has found that the corrugated roof panel construction consisting of asbestos cement panels and translucent fibre glass panels and asbestos cement gutters and downpipes to be aged and heavily weathered, with additional corrosion problems to retaining bolts and metal trims.

21. Because of the significance of these findings a second opinion was sought from Stace Building Surveying who have inspected the roof areas and produced a report confirming the general poor condition of the roof and expressing the opinion that consideration should be given to renewing the existing shallow pitched roof coverings with composite insulated metal profile panels and integrated translucent panels. The gutters should also be renewed with deep flow metal gutters of similar profile to the existing.

22. The estimated cost of stripping and renewing the pitched roof coverings, gutters and down pipes are £140,000 for the single storey block and £210,000 for the two storey block to which allowance should be made for statutory compliance, professional fees and VAT.

23. In their report Stace also drew attention to severe cracking to the walls of Units 23 and 24, which requires further investigation.

24. Therefore as with Waltham Abbey Pool it is proposed to consider the findings in more detail, undertake further investigations into the cracking referred to above and submit a full and detailed report to a future meeting on all the implications with options for action.

#### Pyrls Lane Nursery

25. The Nursery is part of the Grounds Maintenance Section. The future of the site is currently under consideration by the Council for redevelopment. Work is progressing on the submission of a planning application.

26. Until such time as a final decision has been made by the Council a basic standard of repair and maintenance is undertaken to meet health and safety requirements.

27. The Greenhouse structures are deteriorating and in poor condition which has prompted a change in classification from satisfactory to poor.

28. If the site is ultimately to be retained a more detailed survey would need to be undertaken which is likely to result in further works being identified with the resultant cost implications.

### Town Mead Depot Waltham Abbey

29. The depot consists of numerous blocks of garages and stores as well as an office for the Country Care Service and a large yard area. Part of the depot is occupied by Waltham Abbey Town Council.

30. The future of the depot site is currently under consideration by the Asset Management Coordination Group and until such time as a long term decision has been made by the Council a basic standard of repair and maintenance is undertaken to meet health and safety requirements.

31. Many of the blocks are deteriorating and in poor condition which has prompted a change in classification from satisfactory to poor.

32. If the site is to be retained a more detailed survey of the condition of the individual blocks would need to be undertaken which is likely to result in further works being identified with the resultant cost implications.

### Energy Efficiency and Carbon Reductions

33. Performance at the Civic Offices continues to improve. Following the latest independent survey for the Display Energy Certificate in June 2011, the performance of the building has improved from an E rating to a D rating. Within the D rating the Building has a points score of 95 and the typical score for this type of building would be 100 points.

34. This continual improvement has been achieved through a combination of better energy management of lighting, heating and comfort cooling systems, improved insulation, and sustained investment to replace old and obsolete systems with modern energy efficient systems.

35. In financial terms in the last two years the Council has saved £77,311 or 43% on its gas and electricity costs for the Civic Offices over what it paid in 2008/9. In statistical terms for the same period there has been a reduction in consumption of 552,751 kilowatt hours of gas and electricity.

36. Further works carried out and to be completed in 2011/12 include, fitting percussion taps to hand basins in toilets, auto flushes to urinals, thermostatic radiator valves (TRVs) throughout the complex, additional insulation in the roof spaces and the renewal of the switchplan lighting control system.

37. The effect of these works will be reflected in the Display Energy Certificate (DEC) renewal survey in 2012. However it must be acknowledged that having attained the typical rating for this type of building it will become increasingly more difficult to achieve further improvement in the DEC rating.

### General

38. Continuing Service Budget provision in the sum of £118,000 already exists and this has been taken into account in calculating the DDF requirements set out in the appendices.

39. The Planned Maintenance Programme provides a structured way of ensuring that the Council's property assets are properly maintained and improved to meet Health and Safety requirements, statutory regulations, contractual obligations, customer demands and the long term protection and value of the authority's assets.

40. The Council has contractual obligations to undertake all necessary external and structural maintenance works to the four leisure centres managed by Sports Leisure Management Ltd. This, and future programmes, includes the commitments as set out in the terms of the leisure

management contract. Contractual commitments also apply to commercial premises i.e. industrial estates, shops and other commercial lettings where the Council has external and structural responsibilities.

41. The attached detailed schedules comprise the following:

- (a) Appendix 1 – Progress report on works during 2011/12.
- (b) Appendix 2 – The approved expenditure for 2012/13 both capital and revenue.
- (c) Appendix 3 – Bids for new capital provision for 2013/14 to 2015/16
- (d) Appendices 4 and 5 – Spending profiles for capital and revenue expenditure for the 5 year period 2011/12 to 2015/16.

42. When reviewing appendix 1 members will note that approximately 99% of the allocated projects for 2011/12 have or will have been completed by the end of the financial year. Two schemes have been deferred to avoid unnecessary expenditure pending strategic decisions in relation to the premises concerned. One scheme has been deferred as a result of insufficient time to complete the project by the end of the financial year.

43. When reviewing appendix 2 members will note a reduction in capital requirement of £130,000 for 2012/13. This is as a result of deleting £121,000 contingency for a shops environmental improvement scheme which proved to be not required and rescheduling of £9,000 of smaller capital works.

43. At members request the priority ratings previously used for schemes have been replaced by seven categories as follows:

- (1) Health & Safety and Legislative Implications;
- (2) Essential Work – Major repairs to Fabric and Building Services that may result in a loss of service provision or loss of income;
- (3) Works Commenced as part of a programme on a phased basis;
- (4) Investment in Carbon Reduction and/or Renewable Energy;
- (5) Desirable Work – Repairs to fabric and building services;
- (6) Repair Work to expensive – Cheaper to sell Asset and Rent back; and
- (7) HRA works

45. A number of projects will see a return on the investment in the long run by contributing towards savings on energy consumption or reduced maintenance costs. Whilst at this stage it is impossible to quantify those savings the schemes in question have been highlighted with an asterisk (\*) in the status column of appendices 2 and 3.

**Resource Implications:**

Bid for capital funding as follows:

	2011/12 Revised £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	5 Year Total £000
New Bids			22	13	227	262
<b>Total Capital Bids</b>			22	13	227	262
Approved Budget	436	484	278	132	0	1330
Savings	0	130	0	0	0	130
Total Budget Proposed	436	354	300	145	227	1462

Bid for DDF revenue funding as follows:

	Revised 2011/12 £000	Estimate 2012/13 £000	Estimate 2013/14 £000	Estimate 2014/15 £000	Estimate 2015/16 £000	5 Year Total £000
Planned Maintenance Programme	250	170	296	157	156	1029
Existing CSB Budget	118	118	118	118	118	590
Existing HRA Budget	8	7	16	7	7	45
Additional Funding Required	124	45	162	32	31	394
Current DDF Approved Budget	124	45	19	10	0	198
Additional DDF Requirement	0	0	143	22	31	196

**Legal and Governance Implications:**

None.

**Safer, Cleaner and Greener Implications:**

A number of the included projects have energy reduction/carbon emissions reduction implications as a result of improving installations, installing more modern energy efficient plant, equipment, controls and alternative sources of generation.

**Consultation Undertaken:**

There has been no external consultation undertaken in respect of this report.

**Background Papers:**

None.

**Impact Assessments:**

Risk Management

Regular planned and preventative maintenance helps to reduce the risk of interruptions to the Council's day to day operations from critical and partial systems failure, assists with financial planning and reduces the need to seek supplementary finance outside of the budgetary process.

Equality and Diversity

Equality and Diversity issues are raised by this report and all have a positive outcome.

Related Items:

1. DDA access ramp and enlarged door leading into the ground floor of the control tower at North Weald Airfield.

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties; reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.