

Report to the Cabinet



Report reference: C-023-2012/13
Date of meeting: 22 October 2012

**Epping Forest
District Council**

Portfolio: Asset Management and Economic Development

Subject: Civic Offices, Other Operational Buildings and Commercial Property – Planned Maintenance programmes 2013/14 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 2013–2017 for Operational and Commercial Properties be approved.**
- (2) That the progress with works approved for 2012/13 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 2013/14 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 2014/15 to 2016/17 (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 2012/13 to 2016/17 (Appendices 4 and 5 refers); and**

Executive Summary:

This report:

- (a) Gives a comprehensive progress report on all planned maintenance items approved for 2012/13.
- (b) Sets out the already approved capital and revenue expenditure for 2013/14 to enable Cabinet to review their previous decisions on the level of spending to be implemented:
- (c) Makes capital bids of £67,000; £286,000; £105,000 and £298,000 for projects for the years 2013/14; 2014/15; 2015/16 and 2016/17: and
- (d) Sets out the spending profiles both Capital and Revenue for the 5 years 2012/13 to 2016/17.

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 or loss of income. 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 in previous years, all projects are classified into one of seven different categories. These are explained in more detail in paragraph 21 below.

2. A spending profile for both capital and revenue expenditure for the 5 year period 2012/13 to 2016/17 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 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.

Energy Efficiency and Carbon Reductions

6. Performance at the Civic Offices continues to improve following the latest independent survey for the Display Energy Certificate (DEC) in June 2012.

7. However the consultants in providing the latest DEC certificate has advised the Council that because of a data inputting error, on their part, when producing the DEC certificate in June 2010 the DEC ratings for, 2010 and 2011 were inaccurate. The ratings should have been higher than shown on the certificates.

8. This has been corrected for the 2012 certificate and as a result shows that the rating for the Civic Offices has gone up indicating on paper a less energy efficient building than the previous year.

9. However what is unquestionable is that since the introduction of DEC's in 2009 the Council's performance in reducing energy consumption and carbon emissions has improved year on year.

10. The following table shows the DEC ratings received compared to what they should have been had the data inputting error not occurred. In terms of the ratings, A (0-25) is the most energy efficient and G (over 150) is the least energy efficient. The typical rating for this type of building would be D (76-100)

Year	Original rating	Corrected rating
2009	G (236)	G (269)
2010	E (104)	F (148)
2011	D (95)	F (136)
2012	E (112)	E (112)

11. 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.

12. 2011/12 saw a further reduction in consumption of 11% (190,067 kilowatt hours) of gas and electricity compared to 2010/11. In financial terms there has been a small increase in costs of £4,667 due to energy price fluctuations.

13. Further works carried out and to be completed in 2012/13 include, toilet refurbishments utilising Light Emitting Diode (LED) lighting panels, more energy efficient hand dryers and water conserving flush systems; The replacement of corridor lighting to two floors of the Conder building with LED light panels; the commencement of a programme to replace failing fluorescent light fittings with LED light panels in offices; the replacement of the second of two boilers; the addition of water softeners to the incoming cold water supplies and de-scaling or replacement of the hot water calorifiers.

14. The effect of these works will be reflected in the DEC certificate renewal survey in 2013.

15. The LED panels referred to have a number of advantages, they are maintenance free and have a five year warranty. They operate on lower wattages and provide a better spread of light than the units they are replacing. Typical reduction in wattage values are – in corridors 50 watts down to 18 watts and in offices 97 watts down to 40 watts. Because of the better spread of light provided by the LED light panels less units are required than the more traditional fluorescent units being replaced.

General

16. 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.

17. 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.

18. 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.

19. The attached detailed schedules comprise the following:

- (a) Appendix 1 – Progress report on works during 2012/13.
- (b) Appendix 2 – The approved expenditure for 2013/14 both capital and revenue.
- (c) Appendix 3 – Bids for new capital provision for 2014/15 to 2016/17
- (d) Appendices 4 and 5 – Spending profiles for capital and revenue expenditure for the 5 year period 2012/13 to 2016/17.

20. When reviewing appendix 1 members will note it is anticipated that 100% of the allocated projects for 2012/13 have or will have been completed by the end of the financial year.

21. When reviewing appendix 2 members will note that additional capital funding of £67,000 is requested in 2013/14 and that a saving of £11,250 is anticipated on the already approved DDF funding for 2013/14.

22. At members request all proposed projects are classified using the following seven categories. More than one category may apply to specific projects.

- (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

23. 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:

	2012/13 Revised £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	5 Year Total £000
New Bids		67	286	105	298	756
Total Capital Bids		67	286	105	298	756
Approved Budget	453	300	145	227	0	1125
Transfer from DDF	14					14
Savings	0	0	0	0	0	0
Total Budget Proposed	467	367	431	332	298	1895

Bid for DDF revenue funding as follows:

	Revised 2012/13 £000	Estimate 2013/14 £000	Estimate 2014/15 £000	Estimate 2015/16 £000	Estimate 2016/17 £000	5 Year Total £000
Planned Maintenance Programme	227.50	288.15	163.30	135.30	101.35	915.60
Existing CSB Budget	118	118	118	118	118	590
Existing HRA Budget	6.5	16.25	6.5	6.5	6.5	42.25
Additional Funding Required	0	0	7.25	0	0	7.25
Current DDF Approved Budget	103	165.15	31.55	31.05	0	330.75
Additional DDF Requirement	0	-11.25	7.25	-20.25	-23.15	-47.40

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 raised by this report all have a positive outcome.

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.