

## Proactive Maintenance Strategy

### SUMMARY

- 1.1 The current maintenance backlog on Corporate (non school) buildings is currently identified at £36 million. This relates to the maintenance required over the next five years to bring the buildings back to a “Good” state of repair.
- 1.2 The capital maintenance budget for 2011/12 is £3.4 million and the revenue planned maintenance scheme budget is £0.76 million. At these levels of funding it will clearly take some time to properly address such a backlog.
- 1.3 A building at risk process is in place to ensure that buildings are maintained in a safe and operational manner. This process currently monitors and inspects 34 corporate buildings on a regular basis. The major repairs identified by these inspections drive the priorities for the planned maintenance programme. This process does however also result in the backlog increasing each year as the cost of repairs identified is in excess of the funding available.
- 1.4 We are making progress with the refurbishment of the Council House, and associated reduction in the number of corporate administrative buildings, as well as the overall Leisure Strategy, with a total investment of £84m. There are also a number of reviews of services and building usage ongoing. However there will remain significant pressure on the maintenance budgets and therefore this is a key issue on the agenda for the Strategic Asset Management Group. The group is preparing to review the strategy and rationale to challenge which buildings the council needs to retain to deliver its services, how the buildings can be better utilised and the levels of capital funding made available for planned building maintenance.

### RECOMMENDATION

- 2.1 To note the estimated maintenance backlog of £36 million for corporate buildings
- 2.2 To note the approach being taken to keep buildings safe and operational

- 2.3 To note that the approach towards reducing the maintenance backlog is being reviewed through the Strategic Asset management Group (SAMG) within the overall context of asset management

#### **REASONS FOR RECOMMENDATION**

- 3.1 The £36 million maintenance backlog identifies work required to bring buildings into a good state of repair. Based on the current revenue and capital maintenance funding levels it will clearly take some time to properly address such a backlog.
- 3.2 Based on the above information the buildings at risk approach drives the priority list of planned maintenance projects with the intention of keeping buildings safe and operational
- 3.3 An overall property strategy is required to ensure the council only retains the buildings which are suitable and sufficient to deliver council services. SAMG contains representatives from all the council departments and is therefore best placed to oversee the development and compliance with this strategy

#### **SUPPORTING INFORMATION**

- 4.1 The Scrutiny Commission meeting on the 21 June 2011 asked that:
- “The council have a proactive maintenance strategy with an action plan to tackle the increasing backlog of repairs and an outline report on this to be considered at the next meeting”*
- 4.2 The maintenance backlog considers the repairs required within the next five years to bring buildings back to a ‘Good’ condition. The backlog currently stands at £36 million for corporate buildings.
- 4.3 This report considers the approach taken towards corporate buildings.

- 4.4 Corporate building repairs are funded from the revenue budget and capital maintenance budget as detailed in the table below:

Budget	Repair Type	Budget £000	Comments
Revenue maintenance Budget	Reactive repairs	1,995	Unplanned and reactive repairs
	Buildings at risk (BAR)	470	Monitoring of buildings, making safe and urgent repairs
	Planned maintenance and servicing	1,060	Annual maintenance and servicing
	Major maintenance schemes	767	High priority and unforeseen maintenance projects
	<b>Total</b>	<b>4,292</b>	
Capital Maintenance budget	Major maintenance Projects	3,400	Includes 2011/12 allocation of £1.26 million and £2.14 million of slipped projects and contract retentions.
Total budget available in 2011/12 for new major maintenance schemes and projects is £1.26 million capital and £0.767 million revenue. Total of 2.027 million.			

- 4.5 The current maintenance strategy which was revised in 2007 identifies the ideal approach of splitting the budget spent on maintenance to achieve a 65% budget for planned maintenance and 35% for reactive maintenance. This approach aims to focus funds on planned maintenance projects which reduce the maintenance backlog and reduce the need for unscheduled repairs. Although the split of budgets achieves the 65/35 target the backlog is increasing and currently it would take a significant number of years to achieve a property portfolio which is deemed to be in "Good" condition based on the current backlog figure excluding annual inflation increases (assuming the remainder of the property portfolio suffers no deterioration).
- 4.6 The usual approach for identifying a planned maintenance programme for major project works would be through a five yearly condition survey process. In addition to this, regular maintenance engineer/surveyor visits would identify whether the items identified in the survey need to be escalated in importance due to further deterioration.
- 4.6 This approach is not currently sufficient due to the scale of priority repairs being in excess of the annual maintenance budgets. The buildings at risk (BAR) process is therefore used to monitor the buildings which have been identified with structural and building related health and safety issues to ensure they remain safe to occupy. These inspections are carried out using in house resource and consultant structural engineers.

- 4.7 In this financial year 34 buildings will be inspected on a pre-defined basis ranging from monthly to annually and the BAR revenue budget will be used to implement making safe works to keep buildings safe and operational. Over the last two years this process has been reviewed to establish the cost of making safe against the cost of a permanent repair. Where a permanent repair is minor and considered the most cost effective solution the repairs have been undertaken subject to budget availability.
- 4.8 Where the repair is of a medium to large scale a project is put forward to be included on the planned maintenance programme, PMP. The current PMP is being driven by a high proportion of urgent BAR projects. BAR projects are generally found following intrusive surveys which are not part of the condition survey of a building. This means that the maintenance items discovered add to the maintenance backlog figure. This results in the maintenance backlog increasing rather than reducing.
- 4.9 The projects approved on the planned maintenance programme are therefore identified by taking the highest priorities on a priority list with the remaining non funded repairs being monitored to ensure the buildings remain safe and operational by undertaking holding repairs where necessary.
- 4.10 This approach to maintaining the council's buildings portfolio is clearly not sustainable and it is therefore a key issue on the agenda for Strategic Asset Management Group. The group is preparing to review the strategy and rationale to challenge which buildings the council needs to retain to deliver its services and how the buildings can be better utilised.

## OTHER OPTIONS CONSIDERED

- 5.1 The SAMG review will identify and evaluate the options as part of the review process.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	
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<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Name 01332 255044 e-mail phil.derbyshire@derby.gov.uk None Appendix 1
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<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 Covered in the main report

**Legal**

- 2.1 The current maintenance approach is aimed at ensuring that the council's corporate buildings remain safe and operational while ensuring that the statutory deputies are addressed e.g. servicing of gas boilers.

**Personnel**

- 3.1 None

**Equalities Impact**

- 4.1 None

**Health and Safety**

- 5.1 Covered in the main report

**Environmental Sustainability**

- 6.1 Maintenance projects are undertaken in accordance with the Building Regulations 2010 and therefore meet the requirements of the Approved Documents.

**Asset Management**

- 7.1 Covered in the main report

**Risk Management**

- 8.1 Covered in the main report

**Corporate objectives and priorities for change**

- 9.1 This report links to the Derby Plan goals of:
- More choice and influence over services

- A better built and natural environment