



Brighton & Hove City Council

Corporate Building Maintenance Strategy 2015 - 2018

Final Version 10 - April 2016

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EXECUTIVE SUMMARY

The council's annual expenditure on building maintenance work represents a major recurring investment but this funding is limited and, in the current financial climate, likely to continue to reduce year on year. The council must therefore look at alternative and better delivery models and be innovative in order to achieve the best value for money from every pound spent. This aim is aligned to the council's current Corporate Property Strategy & Asset Management Plan (AMP) whose key objectives include:

- "A. To provide the right buildings in the right place & condition to meet future service delivery needs" &*
- "B. To deliver value for money property services & support the council's modernisation programme".*

This Corporate Building Maintenance Strategy sets out how the council plans to achieve these AMP objectives with three priority aims:

- Aim 1** To allocate funding to projects that have the greatest positive impact on our essential services and support future service delivery needs through a clear and consistent process of prioritisation,
- Aim 2** To target a proportion of the available funding against our identified condition survey data to reduce the risk of increasing our overall level of required maintenance and
- Aim 3** To achieve the maximum efficiencies in the way we procure building maintenance works.

This document provides the strategic framework around which we identify, prioritise, plan, manage and monitor the maintenance of the city council's non-housing property stock. This includes civic offices, historic buildings, libraries, museums, leisure centres, farmland buildings, social care and schools buildings. Our key objective is to ensure that all council buildings are maintained in line with best practice and use of resources, that our statutory duties are met and customer satisfaction is enhanced.

The strategy is divided into the following sections:

SECTION 1 provides contextual information in respect of the Council's property ownership and explains how this strategy links to our overall corporate asset management strategy.

SECTION 2 defines what we mean by "maintenance" work and explains why this is important to the Council and to service delivery.

SECTION 3 sets out the current level of our required maintenance over the next five years and how we benchmark our performance against other authorities. It explains how we assess the relative performance of our assets to ensure that only fit for purpose buildings are retained. It highlights the key objectives of this strategy and identifies the main drivers for a strategic approach to our maintenance programmes which include compliance with property related legislation.

SECTION 4 defines the main property portfolios, who is responsible for their maintenance and how we engage with our client officers through the budget setting process.

SECTION 5 sets out the budgets available for the repair, improvement and upkeep of our buildings and discusses how we procure work and services derived from this strategy and our current initiatives to ensure that we are achieving maximum value for money.

SECTION 6 sets out the criteria used by the Property & Design division of the Finance & Resources directorate for allocating our available maintenance resources ensuring that funding is targeted correctly and is directly related to service need, the modernisation programme and our Corporate Plan.

SECTION 7 contains the milestones and targets we aim to achieve by 2018 through the implementation of this strategy.

This strategy applies to planned maintenance funding of the property assets managed by the Property & Design division. Separate strategies relate to the specific needs of the Housing and Highways departments and these are therefore excluded from this document.

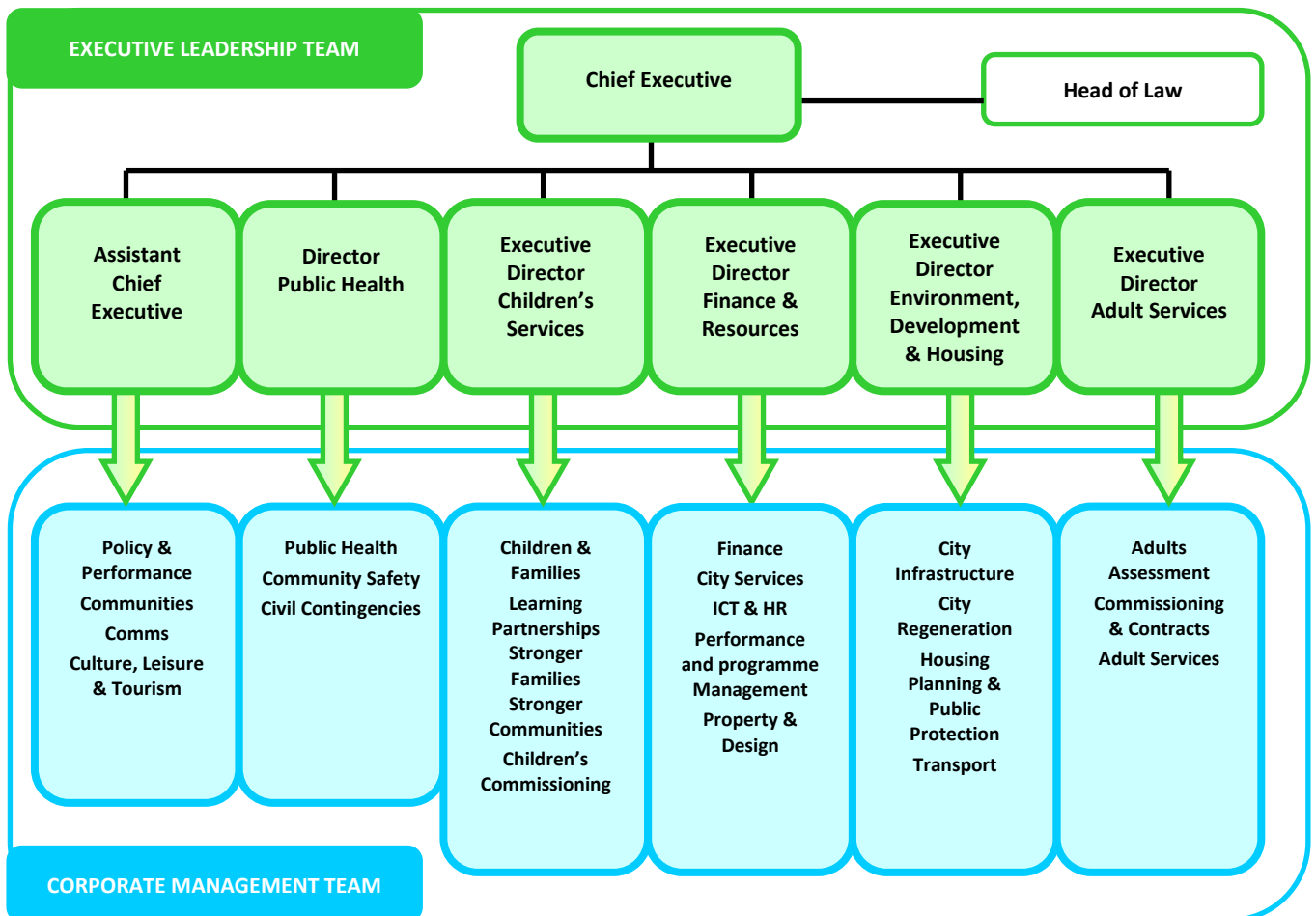
1.0 INTRODUCTION & CONTEXT

1.1 Brighton & Hove City Council

The City of Brighton & Hove is a vibrant, thriving “city by the sea” and the largest urban centre on the south coast lying approximately 50 miles south of London and attracting over 8 million visitors a year. The city has a population of a 290,000.

Brighton & Hove City Council (B&HCC) is a unitary authority formed in 1997 and represented by three members of parliament and 54 councillors in 21 wards. The Council operates a Committee system of governance with a directorate structure as indicated in **FIGURE 1** below:

FIGURE 1: Brighton & Hove City Council’s Corporate Organisational Structure



The Property & Design (P&D) division of the Finance & Resources directorate provides a strategic lead for the council’s property portfolio and has corporate responsibility for the Asset Management Plan.

In addition since 2013 P&D have led the council on the adoption of the Corporate Landlord model of working as described in **SECTION 1.2** below. P&D now manage and maintain the Council’s non-housing operational property assets including schools, adult social care, environment, civic buildings and the non-operational commercial urban & agricultural portfolios. The Assistant Director of Property & Design is also the Corporate Property Officer and City Architect leading multi-disciplinary professional property teams offering consultancy architectural and design, building surveying, building services, estates, facilities, asset and energy & water management support and advice.

1.2 Our Corporate Landlord Model of Property Management

Brighton & Hove City Council's 'Corporate Landlord' model of working was implemented by Property & Design in April 2013 following a period of 18 months development and collaboration with Heads of services. It aims to improve the utilisation, efficiency and effectiveness of the council's property assets focusing on three main principles:

- A single, unified property asset strategy
- Maximising value through centralisation and standardisation of property related budgets and services
- Minimising corporate risk

The introduction of Corporate Landlord resulted from the following drivers:

- To develop a co-ordinated asset strategy for the council, making the best use of assets in line with the council's strategic priorities
- To regenerate areas of the city enabling facilities and opportunities for residents & visitors
- To demonstrate a customer focused & commercial property management service
- To contribute to the council's Value for Money modernisation programme and modernisation of the council leading our *Workstyles* accommodation rationalisation project, aligning with Business Process Improvement (BPI) and customer access
- To maximise the benefits of joint and collaborative working with partner organisations
- To manage increased pressures around property statutory compliance
- To reduce the council's carbon footprint

1.3 The Council's Property Assets

B&HCC has a large and varied portfolio of land and property assets valued at £2.08 billion (as of 31 March 2015). Principal areas of the portfolio include:

- Civic buildings – our main civic administrative office buildings
- Environment buildings – including parks depots & sports pavilions, car parks & a travellers site
- Community buildings – youth and community centres
- School buildings
- Social care buildings – day centres and residential homes
- Libraries, museums and art galleries
- Historic buildings – including the Royal Pavilion & Preston Manor
- Seafront portfolio – including shelters, arches and Volks' electric railway
- Leisure buildings – wet and dry sports centres
- Cemeteries and crematoria
- Council housing properties
- Commercial portfolio – investment properties
- Agricultural portfolio – 10,500 acres of farmland and related buildings
- Community assets - assets that the council intends to hold in perpetuity for public use including parks & recreation grounds, monuments, cemeteries and allotments

1.4 Our Corporate Property Strategy & Asset Management Plan (AMP)

The AMP provides a strategic overview of the city council's property & land assets and describes the systems, processes and policies already in place or being progressed to manage and maintain them. The AMP is intended to be used as a tool to help maximise the deployment of these assets to support service delivery and deliver on our corporate priorities and objectives. The current version of the AMP approved at December 2014 Policy & Resources Committee covers the period 2014 to 2018 and is available for download from the council's website:

<http://www.brighton-hove.gov.uk/index.cfm?request=c1152664>

The AMP identifies five property objectives for our strategy and clearly demonstrates the link between these and our corporate priorities:

- A. To provide the right buildings in the right place & condition to meet future service delivery needs
- B. To deliver value for money property services & to support the council's modernisation programme
- C. To use our One Planet Living principles to reduce our environmental impact
- D. To optimise the value from our non-operational urban & agricultural commercial portfolios
- E. To use our assets to enable new city development & urban regeneration

1.5 Our Corporate Building Maintenance Strategy

Our overall strategy is to balance the allocation of our finite and reducing maintenance resources to the appropriate buildings for which the council has a repairing liability in order to support service delivery, our *Workstyles* accommodation and council modernisation programmes and to address our required maintenance works which are identified and prioritised through a rolling programme of condition surveys.

The aim is to maintain a steady state in our baseline total required maintenance figure up to 2018 with the exception of newly identified works, additional properties & annual inflation and to address the immediate health and safety issues identified within the Priority One works.

1.6 Aim of Our Building Maintenance Strategy

This document provides the strategic framework around which we identify, prioritise, plan, manage and monitor the maintenance of the city council's non-housing operational property stock. This includes civic offices, historic buildings, libraries, museums, leisure centres, farms, social care and schools buildings. Our key objective is to ensure that all council buildings are maintained in line with best practice and use of resources, that legal duties are met and that customer satisfaction is enhanced.

The strategy sets out how the council plans to achieve our AMP objectives and address our identified required maintenance in respect of our council maintained non-housing operational and non-operational properties with the three Building Maintenance Strategy Aims list below:

- Aim 1** Allocating funding to projects that will achieve the maximum positive impact on our most essential services by a clear and consistent process of prioritisation as described in **SECTIONS 6.2 to 6.4** below.
- Aim 2** Targeting a proportion of the available funding against our identified required maintenance total as described in **SECTION 6.1** below.

Aim 3 Achieving maximum efficiencies in the way we procure building maintenance works as described in **SECTION 5.0** below.

2.0 BUILDING MAINTENANCE

2.1 Definition of Building Maintenance

Building Maintenance is defined as the proactive prevention or remedial correction of faults to the fabric of a building and its associated fixed plant and equipment.

2.2 Types of Maintenance Work

Preventative Maintenance is work that is planned, undertaken to preserve the asset and carried out in anticipation of future failure. It includes:

- Planned restorative maintenance works, for example the replacement of a flat roof waterproofing system or re-pointing of brickwork
- Cyclical maintenance, for example external redecoration programmes
- Term maintenance servicing of fixed mechanical and electrical plant to reduce risk of excessive breakdowns and compliance with statutory legislation, for example boiler servicing, electrical tests & water hygiene monitoring

Corrective Maintenance is work undertaken after failure. Examples are emergency repairs that often require a quick response time such as a roof leak, boiler breakdown or burst pipework. Being unplanned, corrective maintenance is excluded from this strategy document but is managed through a dedicated helpdesk for most civic buildings, social care and non-school educational buildings and direct by the client service for schools and other non-corporate landlord operational properties as shown in **FIGURE 4** below.

2.3 Why is Building Maintenance Important?

Building maintenance costs represent a significant proportion of the total cost of owning and operating a building over its lifetime. It is therefore important that an effective maintenance strategy is adopted to ensure risks are managed, value for money is achieved and the value of the assets is maintained.

Proposed maintenance projects are subject to a process of value engineering, at a level proportionate to the cost of the scheme, to ensure that the maximum benefit can be obtained within the budget available. Where appropriate this will include life cycle cost comparisons of alternative schemes to maximise the value for money obtained.

The council owns a unique portfolio of assets and buildings from the Grade I Listed Royal Pavilion to schools and public conveniences. Building maintenance is essentially a risk management process where assets need to be maintained to a standard that conforms to an appropriate and acceptable level of risk associated with:

- Loss of service delivery
- Health & Safety (including legal and statutory duties)
- Preservation of the asset's value
- Efficient operation of the building
- Security
- The council's image and reputation
- Fulfilling the council's priorities, aims & objectives

By definition there is usually a limited time to organise corrective maintenance which, as a result, is relatively more expensive to address than preventative maintenance. Corrective maintenance also carries a higher risk to the Health and Safety of those involved as it often provides only a limited time to plan and execute the works.

As a result maintenance best practice suggests that property managers should target a minimum ratio of 70:30 between expenditure on planned and reactive maintenance. The Council monitors our actual spend ratio through our annual Property Performance Indicators discussed in **SECTION 3.1** below.

A sound approach to Building Maintenance is the key to sustaining a safe built environment, maintaining the value of the council's assets and reducing corporate risk. The development of this strategy using up-to-date factual condition data will assist in further defining maintenance need to properties across the council. Future projections can then be developed allowing us to determine the adequacy of current and future resources. It will enable Members to be better informed and make decisions on issues such as whether maintenance needs a capital injection to catch up on the maintenance backlog.

3.0 MEASURING PROPERTY PERFORMANCE

3.1 Property Performance Indicators (PPIs)

The council has adopted the national property performance indicators (PPI) managed by CIPFA (Chartered Institute of Public Finance & Accountancy). We collect and publish the results annually which are benchmarked against other local authorities through the CIPFA scheme.

Our latest PPI results are published annually and are available on our website at:

<http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land/asset-management-plan-and-corporate-property>

This strategy document has been developed as a means of improving our results particularly related to the following PPIs:

- The % of the council's property in condition categories A (good) or B (satisfactory).
- The level of required maintenance over the next five years (see **SECTION 3.2** below).
- The ratio of maintenance spend on planned and reactive works with a target to achieve a minimum 70% on planned.

3.2 Required Maintenance

For the purposes of this strategy, Required Maintenance is defined as *"the cost to bring a property from its present state up to a state reasonably required by the authority to deliver the service and / or to meet statutory or contract obligations and to maintain it to that standard"* (source: Chartered Institute of Public Finance & Accountancy (CIPFA)). Costs are prioritised as **1** (urgent works), **2** (essential works required within years 1 and 2) or **3** (desirable works required within years 3 to 5). The total of priority 1 to 3 works for each building where the council has a maintenance obligation provides us with our total required maintenance figure for the following five years. This figure is reported annually through our PPIs and the overall result as at November 2014 was £ 65.5m broken down as shown in **FIGURE 2** below. This prioritised assessment of required maintenance informs the budget setting process outlined in the council's Medium Term Financial Strategy which in turn provides the financial framework to support the delivery of the council's priorities and sets out the resources that will be available to meet them.

FIGURE 2: Brighton & Hove City Council's Required Maintenance (as at November 2014)

Portfolio	Required Maintenance (£m)			
	Priority 1	Priority 2	Priority 3	Totals
Schools	£ 0.8m	£ 13.6m	£ 16.7m	£ 31.1m
Operational Other	£ 11.7m	£ 8.9m	£ 6.8m	£ 27.4m
Non-Operational	£ 0.8m	£ 3.7m	£ 2.5m	£ 7.0m
Totals	£ 13.3m	£ 26.2m	£ 26.0m	£ 65.5m

NB: *These figures exclude required maintenance for the Housing and Highways portfolios*

The Required Maintenance totals noted above are derived from three main elements – condition surveys, annual Client condition bids for operational and non-operational buildings and the cost of compliance with statutory legislation. We closely monitor our required maintenance level and provide an annual report through our Property Performance Indicators (PPIs) which are published on our website. We are also seeking ways to improve the quality of our condition data to ensure that our reported required maintenance figure remains as accurate and valid as possible and can be used to inform the budget setting process and the Medium Term Financial Strategy. With the adoption of the new Atrium Asset Management software system in 2015 we shall be refreshing our condition data in a number of areas and omitting Client bids from the annual process. This will mean that our total five year maintenance figure is certain to change, possibly increase but definitely reprofile as we fine tune our asset management information gathering techniques.

Condition Surveys

Historically the in-house surveying team has undertaken a rolling programme of condition surveys to all properties where the council have a repairing obligation and aimed to update 20% per annum. With the new Asset Management software system being adopted in 2015-16, a large condition survey exercise is being planned to our most strategic building groups to ensure the required maintenance figures and priority profile are accurate. The condition surveys include an overall assessment of the building's condition ranging from **A** (in good condition) to **D** (life expired) together with a schedule of prioritised and costed maintenance requirements.

This condition data is used to inform the annual Property Performance Indicators as part of our asset management planning as well as the basis for prioritising our maintenance budgets as discussed further in **SECTION 6.0** below.

Statutory & Legislative Compliance

As landlords the council also has a legal obligation to manage the health and safety of people working, staying or visiting our buildings. The council aims to ensure compliance with all statutory responsibilities by taking a corporate approach co-ordinated by Property & Design including:

The Control of Asbestos Regulations, the Control of Legionella HSE Approved Code of Practice and Guidance (L8), the Regulatory Reform Fire Safety Order, access under the Equalities Act 2010 (formerly the Disability Discrimination Act (DDA), Construction (Design and Management) Regulations 2015 and the Care Standards Act (where relevant).

Our Required Maintenance figures include an allowance for compliance issues in respect of the legislative issues noted above.

3.3 Assessment of Our Required Maintenance & Annual Trends

We closely monitor our required maintenance level and publish an annual update through our PPI report. We are also seeking ways to improve the quality of our condition data to ensure that our reported required maintenance figure remains as accurate and valid as possible and can be used to inform our budget setting process through the Medium Term Financial Strategy.

This coupled with reducing budgets will mean that our total five year maintenance figure is certain to increase in the short term as we fine tune our asset management information gathering techniques. Such increases can be attributed to a variety of factors including:

- **Inflation in tender costs for construction work outstripping increases in the allocated annual preventative maintenance budgets.**

Our database calculates a basic increase in tender price inflation since the date of each condition survey over a year old. The calculation is necessarily simplistic as tender price increases will vary between types of work and even the time of year that the work is tendered. However as tender prices increase year on year this will result in an increase in the total figure.

- **Reducing Maintenance Budgets**

Over recent years our planned maintenance budgets have reduced to meet annual saving targets. Whilst reductions can generally be absorbed in the short term, unless buildings are disposed of it is unsustainable in the longer term and inevitably will lead to increases in our required maintenance total over the life of this document.

- **Improved knowledge of our building stock condition through enhanced surveys.**

In some instances condition surveys have provided a holistic condition assessment for each building rather than the elemental approach undertaken previously recognising that the council would, for example, re-roof an entire building even if the survey only highlighted 50% of the tiles being life expired. Whilst the scaffold is up we are also likely to attend to fascias, soffits, insulation upgrades and related works at the same time. This holistic approach ensures that the cost of these related elements are also accounted for in our required maintenance calculation even though they may not have been identified for renewal in the more traditional elemental survey approach. This provides a more realistic estimate of the cost of works programmes but inevitably leads to increases in our identified required maintenance calculation as the original, traditional elemental survey results are updated. As discussed in 3.2 the approach to condition surveys is being revised in 2015-16 with the new Asset Management software.

- **Better understanding of legislation**

The required maintenance total includes for compliance with statutory legislation as described in **SECTION 3.2** above. Our initial approach has been to include an overall assessment for compliance which is then apportioned across the portfolio based on a £/m² basis. However as further information is obtained such as surveys and risk assessments we are updating our systems to ensure that more accurate cost data is identified for individual buildings and this can have a significant effect on the overall total.

- **New legislation**

Changes in legislation including health and safety compliance will have an immediate impact on the required maintenance figure and such effects are unpredictable until a full assessment can be made on our properties.

- **Additional building elements having reached the end of their useful life**

Our required maintenance total is for works over the next five years. As the annual condition survey programme progresses the year one work requirements are revised and the previous "year six" works will then be reflected in the new required maintenance totals.

This can have a significant impact on the total as elements continue to reach the end of their economic life and potentially some very high cost elements start feeding into our figures. The increasing use of a proactive approach to maintenance whereby mechanical plant in particular is identified for renewal before it actually fails means that more plant renewals and associated costs are feeding into our figures.

- **Lack of a dedicated Capital Investment Budget**

Ideally planned maintenance budgets should provide sufficient resources to finance the maintenance of a stock of buildings in a satisfactory condition. All buildings, the elements and sub-elements that make them up have a defined anticipated life. This can be extended, and in some cases renewed, through a robust approach to reactive and planned maintenance needs. However, when a building or its major components reach the end of their life then a major capital investment is required. There is no dedicated capital investment budget programme for our stock of buildings. Ad hoc investment can be achieved through major programmes of work such as *Workstyles* modernisation programme as set out in Section 3.6 of the Corporate Property Strategy & Asset Management Plan. However, investment budgets may be significant they are insufficient to fully refurbish a building and reliance is placed on stretched planned maintenance budgets to meet the need, often through a phased programme approach over a number of years. In recent years there has been an increase in these larger schemes requiring priority support. The knock-on effect of this is a reduction in funds available to undertake more basic but nonetheless essential planned maintenance, such as regular decoration. The impact of reducing the annual planned maintenance budgets has the very real potential of creating a future time bomb in maintenance and capital replacement need. Resources aim to be balanced to try to avoid reaching the tipping point where maintaining our diverse stock of buildings becomes unsustainable.

3.4 Performance Benchmarking

Calculation of our Property Performance Indicators allows us to compare and benchmark our situation with other local authorities as well as to analyse our performance year on year. Annual reports are published showing our results, bench-marking and targets and are available to download at:

<http://www.brighton-hove.gov.uk/content/council-and-democracy/council-property-and-land/asset-management-plan-and-corporate-property>

3.5 Property Performance Reviews (PPR)

The current economic climate and the need to identify continuous savings in our operating costs has meant that the corporate landlord function must challenge services on their continuing use of buildings especially where the way future service provision will change or where a building is performing poorly or is unsustainable in terms of future maintenance costs. One of the ways that Property & Design will undertake this challenge is through asset management property performance reviews (PPRs).

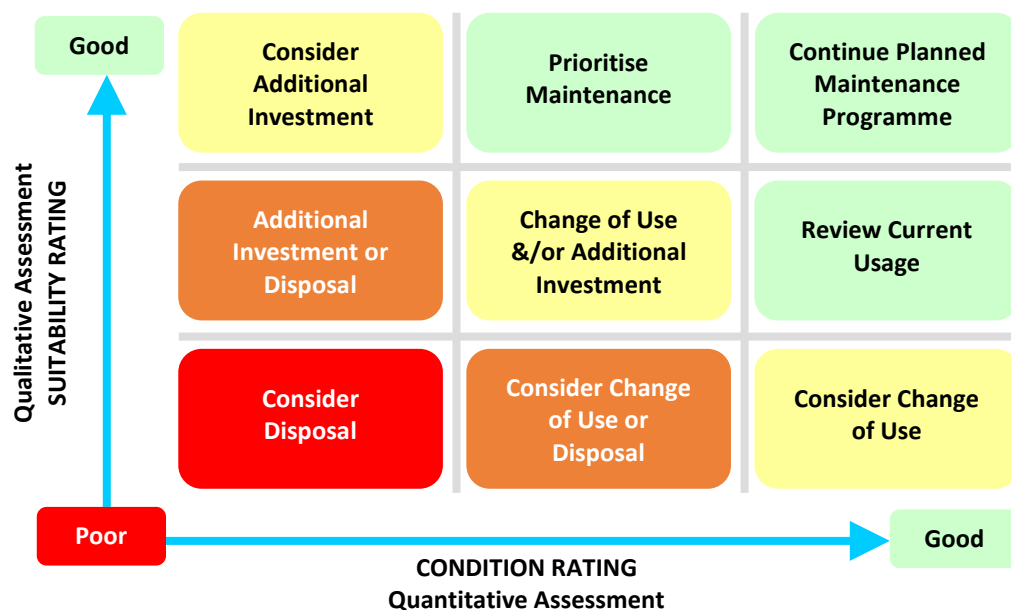
All operational property where the council has a repairing obligation will be the subject of a rolling programme of Property Performance Reviews (PPRs). The aim of the PPR process is to inform the council's Corporate Property Strategy by assessing the value for money offered by the retention of each asset and its relative fitness for purpose. The methodology for this is described below and results in each property being awarded a relative score for both condition and suitability.

A building in poor condition may still represent a suitable building to the service department and vice versa, so a decision made on the basis of either condition or suitability in isolation may not be valid.

We have therefore developed a decision matrix (**FIGURE 3** below) which plots the results of each building’s PPR in two dimensions – condition and suitability, thereby allowing decisions to be taken overall which may include disposal, investment, change of use or maintaining the status quo.

As indicated above, a property that rates poorly for condition and suitability will be identified for possible disposal, a property that is unsuitable for the current users but in reasonable condition will be identified for possible change of use and a property that is considered suitable but in poor condition will be identified for possible additional investment. A property that is both suitable and in reasonable condition will be identified for continued priority maintenance.

FIGURE 3: The Property Performance Review (PPR) decision matrix



4.0 BUILDING MAINTENANCE ARRANGEMENTS

4.1 The Council’s Arrangements for Building Maintenance

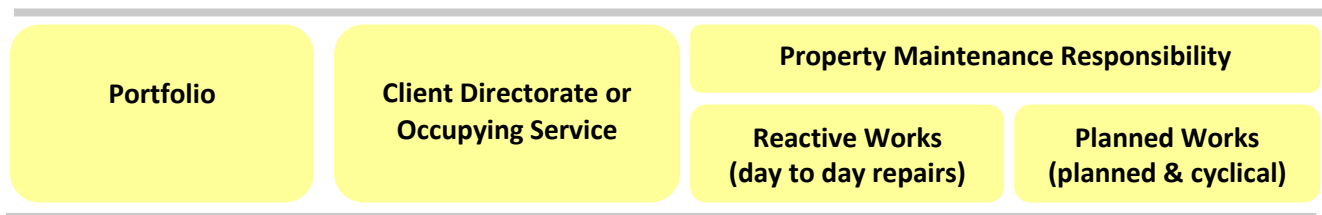
The council’s arrangements for building maintenance work are set out in **FIGURE 4** below indicating the responsibility for managing and funding work to each of the property portfolios. The ‘Corporate Landlord’ responsibility is fully managed by Property & Design.

This Strategy applies only to those portfolios where planned works are funded by the Schools, Corporate, Social Care and Farmlands Planned Maintenance Budgets as well as the Asset Management Fund all of which are managed by the Property & Design Division of the Finance & Resources Directorate and are discussed in more detail in **SECTION 5.2** below. The Strategy for planned maintenance of the council’s housing stock and highways assets are set out in the Housing Asset Management Plan and Highways Asset Management Plan respectively.

4.2 Engagement with Client Departments

Property & Design provides asset management support to directorates undertaking service reviews including Property Performance Reviews (PPRs) as described in **SECTION 3.6** above. These ensure that client departments and Directorate Management Teams (DMT) can make decisions on their occupied properties based on up to date and consistent condition, suitability and health & safety information.

FIGURE 4: Property Maintenance Responsibilities



OPERATIONAL PROPERTIES

Civic Offices	Finance & Resources	Corporate Landlord	Corporate Landlord
Parks Buildings	ED&H	Corporate Landlord	Corporate Landlord
Community Buildings	Finance & Resources	Corporate Landlord	Corporate Landlord
Cemeteries / Crematoria	Finance & Resources	Corporate Landlord	Corporate Landlord
Libraries	Assistant Chief Executive	Corporate Landlord	Corporate Landlord
Museums	Assistant Chief Executive	Assistant Chief Executive	Corporate Landlord
Seafront Buildings	Assistant Chief Executive	Assistant Chief Executive	Corporate Landlord
Sports & Leisure	Assistant Chief Executive	Assistant Chief Executive	Corporate Landlord
Children's Social Care	Children's Services	Corporate Landlord	Corporate Landlord
Adult Social Care	Adult's Services	Corporate Landlord	Corporate Landlord
Schools	Children's Services	Mainly devolved to schools	Corporate Landlord
Car Parks	ED&H	ED&H	ED&H
Public Conveniences	ED&H	ED&H	ED&H
Traveller's Site	ED&H	ED&H	ED&H
Hostels	ED&H	ED&H	ED&H

ED&H = Environment, Development & Housing Directorate

NON-OPERATIONAL COMMERCIAL PROPERTIES

Urban Commercial	Finance & Resources	Generally tenants under FRI leases	Generally tenants under FRI leases
Seafront Commercial	ED&H	Generally tenants under FRI leases	Generally tenants under FRI leases
Agricultural Commercial	Finance & Resources	Tenant Farmers	50% Property & Design 50% tenant farmers

HOUSING REVENUE ACCOUNT PROPERTIES

Council Housing Stock	ED&H	ED&H	ED&H
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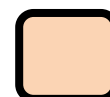
Main Planned Maintenance Budget Sources (see SECTION 5.2 below):



Schools Planned
Maintenance Budget



Corporate Planned
Maintenance Budget



Social Care Planned
Maintenance Budget

4.3 Sustainability Considerations

Sustainable Construction

The rising cost of energy is imposing a severe pressure on service budgets that are already stretched. At the same time the need to reduce our carbon footprint has led to our commitment to reduce energy consumption throughout our operational property portfolio with a consequent reduction in both cost and CO₂ emissions. New and improved technology has provided the opportunity for cost effective sustainable energy generation and we are committed to providing this where practicable and cost effective.

Our architectural and building surveying teams design sustainable buildings that include modern energy efficient measures. Property & Design have a commitment to investigate the potential use of wind turbines, ground source heat pumps, solar panels or other suitable sustainable energy generation source in all of our in-house designed new build schemes and we continue to explore other innovative methods of improving energy efficiency during all refurbishment and maintenance schemes.

Through our commitment to the Carbon Management Programme we have achieved improved efficiency of buildings through renewable energy efficiency measures. We have also installed low energy lighting to our main car park and commenced a programme of improved heating and ventilation controls and replacement of existing oil fired boilers with new, more efficient gas boilers.

Sustainable Procurement

Property & Design procure their works contracts through a variety of routes depending on the value and nature of the work to ensure that the most appropriate method is chosen to maximise value for money.

For works up to £25,000 (or consultants up to £10,000) the council's policy is to employ local contractors defined as having a Brighton & Hove 'BN' postcode or one of the adjacent postcodes of 'TN', 'RH' or 'PO'. The only exception will be where the work is of a specialist nature and suitable contractors cannot be sourced in the local area. Contract officers are obliged to seek competitive quotations for one-of projects.

Property & Design compile a small works list of local companies who have applied and meet our minimum standards for health & safety. This list is refreshed and circulated to council contract officers and schools on a quarterly basis.

For higher value works the only exception to the use of *ConstructionLine* are where a suitable framework or partnering agreement is in place as described below.

Procuring Professional Services

Property & Design has a number of in-house professional service teams including Building Surveying & Maintenance, Facilities & Building Services, Architecture & Design, Asset Management and Estates Surveyors. A major restructure of the team was undertaken in 2014 which resulted in the Building Surveying & Maintenance team increasing in numbers of posts to 21, including two Apprentice posts, allowing for more works to be undertaken in-house and professional fees secured ensuring that the team operate on a cost neutral plus basis. The team continues to secure an increasing number of commissions from sources outside of the budgets held within Property & Design e.g. devolved School's funding, Housing extensions, etc. The service provided is benchmarked as competitive and provides added value by offering a range of specialist advice and other services at no additional cost.

5.0 ENSURING VALUE FOR MONEY

5.1 Procurement of Construction Works

Strategic Construction Partnership

Property & Design pioneered a five year strategic construction partnership in 2003 with a local constructor and including quantity surveying and structural engineering consultancy services procured through the Egan principles outlined in the Rethinking Construction initiative. This partnership was recognised nationally for best practice.

Projects to a value of £12.6m were procured during this first partnership mainly for education new-build projects but also including civic office refurbishment works.

Performance of the partnership was monitored through contract performance indicators including customer satisfaction surveys to demonstrate continuing value for money.

Due to its success and value for money a second £40m five year strategic partnership was entered in to during 2008. During the life of this partnership which ended in 2014, a total of £41million of capital projects were successfully designed and completed including major school expansions, refurbishment of an existing building to create a new school, phases one and two of our *Workstyles* refurbishment works, refurbishment of two city car parks and the construction of the Whitehawk Hub including a new public library. During this partnership the constructor employed a high percentage of local labour and sub-contractors and the partnership as a whole created 105 apprentices across the main construction disciplines. Of these 93% are still employed in companies within the partnership. Overall it is estimated that partnering has produced savings of between 2% and 5% on traditional contracts prices, notwithstanding the savings on time. Property & Design have procured under OJEU a third four year partnership that commenced in 2014.

Framework Agreements

Property & Design are currently finalising a procurement exercise for our annual reactive maintenance programme across corporate buildings, schools and social care with a view to introducing framework agreements from July 2015. This will reduce reliance on our existing approved lists, provide more cost certainty, reduce transactional costs and allow us to explore further supply chain economies and improvements.

Property & Design also use other frameworks procured by other public bodies wherever possible to avoid duplication of effort. Such frameworks, including the example in the following case study, provide greater budget certainty, savings from economies of scale and far shorter project lead-in times. For the past three years a suite of our planned maintenance projects have been procured to local contractors using the Sussex Cluster Contractor Framework originating from the Improvement and Efficiency South East (IESE) initiative.

Working in close collaboration with Property colleagues at East Sussex County Council, this open-book form of procurement adopts similar principles to the Strategic Construction Partnership. Benefits include simpler, quicker and reduced risk procurement, time & cost predictability, using resources more efficiently and supporting local SMEs.

Property & Design continues to work closely with neighbouring county, district & borough councils, housing associations, Health Trusts, Universities, East Sussex Fire & Rescue and Sussex Police and in 2013 re-procured the Sussex contractor framework for 2013-2017 through an EU public procurement compliant procedure. It is anticipated that further collaborative working will result in greater efficiencies and savings through cross-client packages of works. A pilot of Brighton & Hove City Council and East Sussex County Council school's planned maintenance projects was procured collaboratively for 2014-15 and learning from this will help to shape future procurement strategies.

ConstructionLine Pre-Qualification

For all other works over £25,000 (or consultants over £10,000) and below the current EU threshold a more formal tendering process is required and contractors to be invited to tender are selected at random from our approved list. Contract officers can still select up to 50% of each tender list by nominating contractors who have recently and successfully completed similar works. The council use *ConstructionLine* which is a national database of pre-qualified contractors and consultants and hold our own list of companies who have expressed an interest in working for the council within it.

5.2 Building Maintenance Resources & Budget Planning

The School's Planned Maintenance Budgets

FIGURE 2 in **SECTION 3.2** shows that the current (2015-16) total required maintenance for schools is £31.1m over five years with 2.4% classified as Priority One works. Attention is drawn however to the caveats listed in **SECTION 3.3** which highlight the future fluctuations that can occur in the stated total.

The plan to address the required maintenance for schools is reported annually to Members through the Children & Young People Committee (CYPC) and then to the Policy & Resources Committee (P&R) for inclusion within the council's capital investment programme. The latest report for the schools 2015-16 capital programme was presented to the CYPC and recommended to P&R for approval on 19th March 2015 and 11th June 2015.

The plan shows the allocation of capital funding for schools for the period 2016-17 to 2017-18 used to assist and address maintenance issues as summarised in **FIGURE 5** below:

FIGURE 5: Summary of Approved Capital Repair & Improvement Expenditure for Schools

Approved Funding Allocation	2015-16 Funding	2016-17 Funding	2017-18 Funding	Totals
Condition	£ 5.809m	£ 5.809m	£ 5.809m	£ 17.427m
Pupil Places	£ 12.038m	£ 12.640m	£ 11.444m	£ 36.122m
Totals:	£ 17.847m	£ 18.449m	£ 17.253m	£ 53.54m

*** Estimated amounts to be confirmed*

Required maintenance is mainly addressed through the 'condition' annual allocation with the 'pupil places' budget incorporating some maintenance requirements. There is a co-ordinated approach between new capital projects & required maintenance to ensure, through consultations with individual schools, that these are included in any modernisation plans, hut replacements or new builds on a needs basis. This approach also applies to devolved formula capital which we also try to draw into our projects and to local voluntary aided school resources that the authority receives.

The plan provides for priority 1 works to be completed first followed by priority 2 and then priority 3 to ensure that funds are addressing the most serious issues first.

The Council have also formulated an eight year plan to address the level of required maintenance at each school. This information is updated and made available to all schools via the Council's education intranet and can be used by individual schools in the production of their School Development Plans. Whilst Councils are encouraged to maintain a "light touch" in respect of the Devolved Formula Capital, all schools are encouraged to refer to this plan and factual condition data when allocating their own devolved funds.

The asset management strategy for the council's school buildings is set out in the Education Asset Management Plan which is refreshed annually and is linked to the specific plans compiled by the individual schools.

The main aim of the document is to provide an agreed basis for determining priorities for the use of available capital resources to ensure that the learning environment contributes to raising educational standards. This is the framework within which schools may apply their devolved capital funds, the LEA can make decisions in a fair and transparent manner on priorities for development, partnerships can be developed and the most efficient and effective use can be made of available funding.

The Education AMP provides for the collection of data on the condition and sufficiency of school buildings as a means to identify where funding should be prioritised including:

- Modernising accommodation to help raise standards
- Addressing surplus places and over-crowding issues where they exist
- Identifying solutions to condition issues
- Ensuring that schools are accessible

Operational Property Planned Maintenance Budgets

FIGURE 2 in **SECTION 3.2** shows that the current (2015-16) total required maintenance for operational buildings is £27.4m over five years with 42% classified as Priority One works. This figure is falsely skewed by the way Client bid condition data has been incorporated into the old system for collecting Asset Management condition data. With the adoption of the Atrium Asset Management software system and refreshing of condition data in 2015-16, we will have a more accurate indication of the priority profile %s by 2016-17. Attention is also drawn to the caveats listed in **SECTION 3.3** which highlight the future fluctuations that can occur in the stated total.

The plan to address the required maintenance for operational properties is reported to Members through the Policy & Resources Committee (P&R). The most recent report for the "Planned Maintenance Budget Allocation 2015-16 and Programme of Works for the Council's Operational Buildings" (which includes the corporate planned maintenance and the social care planned maintenance budgets) was submitted to P&R Committee in March 2015. The report for the "Asset Management Fund 2014-15" was also approved by March 2015 P&R. The allocation of funding for operational property maintenance and improvement for the period 2015-16 is summarised in **FIGURE 6** below.

The method of prioritisation of works within these budgets is set out in **SECTION 6.0** below.

FIGURE 6: Summary of 2015-16 Repair & Improvement Expenditure for Operational Buildings

Approved Funding Allocation	2015-16 Funding
Corporate Planned Maintenance Budget	£ 3.06m
Social Care Capital Planned Maintenance Budget	£ 0.50m
Asset Management Fund	£ 1.00m
Totals:	£ 4.56m

- The Corporate Planned Maintenance Budget (PMB) provides for the planned maintenance of all civic, historic, leisure, libraries, museums, environment, seafront and commercial buildings where the council retains a repairing obligation. Including the statutory compliance and servicing building services contracts the combined budgets stand at £ 3.06m (at 2015-16).
- The Social Care Planned Maintenance Budget provides for the planned maintenance of the Council's social care service. This includes residential services, day centres, patch offices, children's centre hubs and supported accommodation. The total available budget currently stands at £0.5m (at 2015-16) and excludes reactive maintenance, statutory compliance and servicing building services contracts.
- The Asset Management Fund (AMF) is a £ 1.0m (at 2015-16) annual capital fund to support property improvements and the delivery of phase 3 of Workstyles, address property related health & safety requirements such as fire, asbestos and legionella management and achieve access improvements under the Equalities Act 2010 to our operational building portfolios.
- The Facilities & Building Services Budget - Under the adoption of the Corporate Landlord model the reactive maintenance budget was expanded to encompass Social Care client safety adjustments, reactive maintenance, measured term maintenance servicing and statutory compliance contracts. This budget currently stands at £ 0.75m (at 2015-16).

Non-Operational Property Planned Maintenance Budgets

FIGURE 2 in **SECTION 3.2** shows that the current (2015-16) total required maintenance for non-operational buildings is £ 7.0m over five years with 11.4% classified as Priority One works. Attention is drawn however to the caveats listed above and in **SECTION 3.3** which highlight the future fluctuations that can occur in the stated total.

Additional budgets exist for planned maintenance of our agricultural property portfolio and our commercial portfolio where the council retains a planned maintenance liability.

6.0 PRIORITISATION & PROGRAMME SETTING

6.1 Setting Priorities

There are many conflicting calls on our existing planned maintenance budgets described in **SECTION 5.0** above. The key aim of this strategy is to provide a consistent framework for prioritising works to ensure that budgets are targeted correctly using the following criteria:

Priority A Works

These are contingency sums allocated to support the safe planning and delivery of planned maintenance programmes where non-compliance would result in severe health and safety implications or closure of the building, e.g. asbestos testing and removal, expert structural engineering advice, etc.. These are therefore top-sliced from the budgets. This excludes all measured term mechanical, electrical and water hygiene maintenance servicing contracts and consequential repairs that are covered by the Facilities and Building Services team budgets.

Priority B Works

These are works considered by the Corporate Landlord as essential to support priority objectives set out in the corporate plan such as the council's programme of modernisation. Such works may or may not have already been identified as high priority through the technical prioritisation of the condition surveys and therefore may assist in reducing the level of total Required Maintenance. We aim for a maximum of 40% of the residual budget (after deducting priority A compliance works) to be spent on this category of work.

Priority C Works

These works are prioritised through the rolling programme of condition surveys described in **SECTION 3.2** above. The total cost of priority work exceeds the annual budgets available and a method has therefore been adopted for targeting the available funds to the properties with the greatest benefit to service delivery as described in **SECTION 6.4** below. Maintenance spend within this category will address the level of corporate Required Maintenance and as such we aim to spend a minimum of 60% of the residual budgets (after deducting priority A contingency works) on this category of work.

This budget prioritisation process is shown in **FIGURE 7** below.

6.2 Property Prioritisation Rating

To ensure that limited maintenance resources are targeted at the right buildings, in conjunction with our client departments in 2009 each of our assets were allocated a rating **S1** to **S5** to reflect their relative importance in respect to the council's corporate and service priorities as follows:

S1 Core Service Property 1:

A critical or high profile asset to be in the best possible condition, e.g. a core administrative office building or Grade I listed building.

S2 Core Service Property 2:

Asset to be in good condition both operationally and aesthetically, e.g. other office visited by the public, leisure centre, residential home or listed building with Grade 2* listing.

S3 Core Service Property 3:

Asset to be in reasonably good condition that meets operational and statutory requirements, e.g. a day centre or other listed building.

S4 Non-Core Service Operational Property:

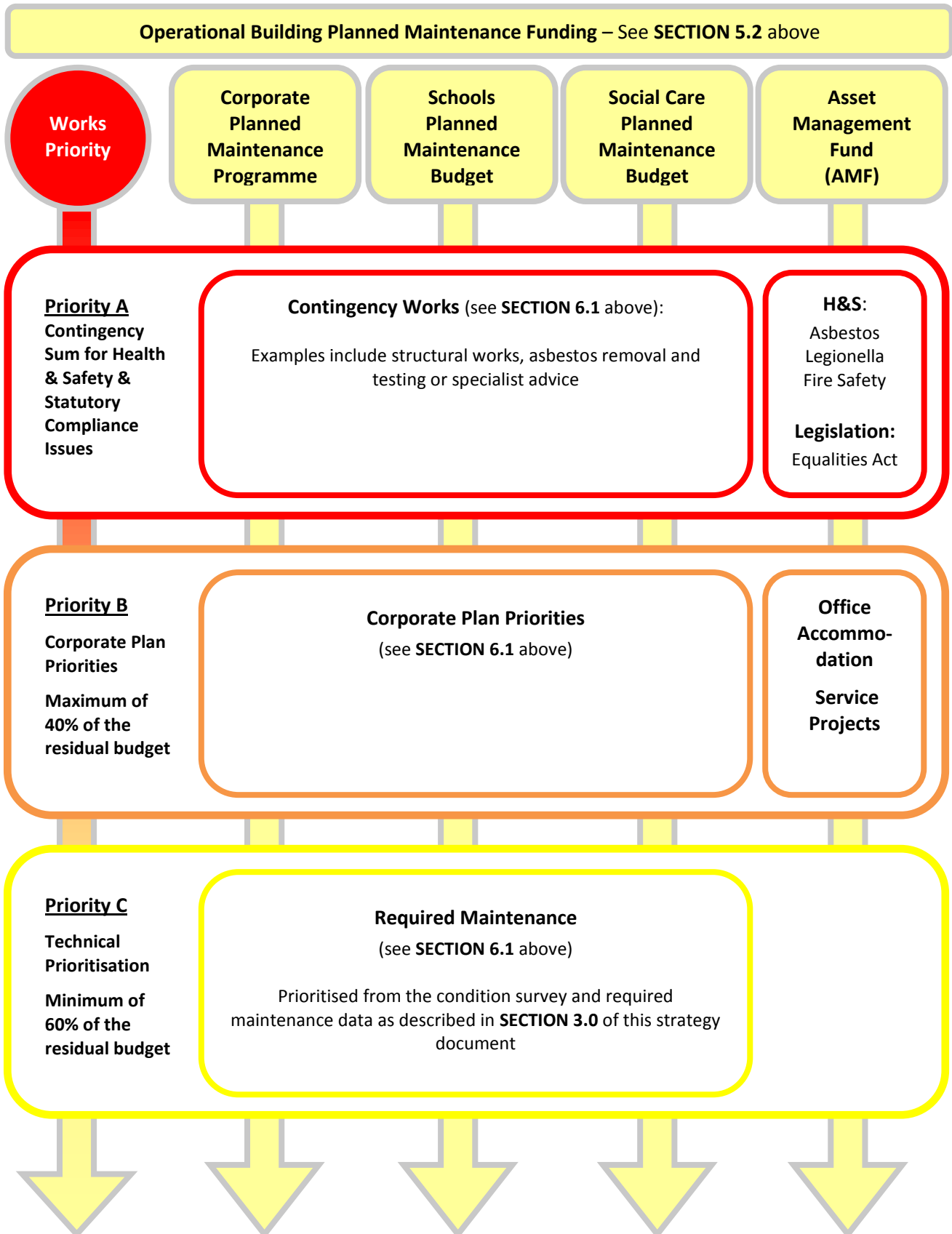
Asset to be in a condition to meet minimum operational and statutory requirements, e.g. a works depot or parks pavilion.

S5 Non-Core Service Non-Operational Property:

Asset to meet statutory requirements, e.g. a property declared surplus and awaiting disposal.

The strategic rating for the respective asset types can be found in Appendix A to this document.

FIGURE 7: The Budget Prioritisation Process



6.3 Property Condition Rating




















Our rolling programme of condition surveys will identify elements of work required each of which will be prioritised using the standard condition ratings **A** to **D**:

- A Good:** Performing as intended and operating efficiently
- B Satisfactory:** Performing as intended but with minor deterioration
- C Poor:** Not performing as intended and/or with major deterioration
- D Life Expired:** Life expired and/or with serious risk of failure

6.4 Property & Condition Prioritisation Matrix

Depending on the relative importance of the property asset each element of work is given a RAG rating based on **FIGURE 8** below.

FIGURE 8: The Property & Condition Prioritisation Matrix

		Property Condition Rating			
		D	C	B	A
Strategic Property Rating	S1				
	S2				
	S3				
	S4				
	S5				

Works Priority Rating

Works identified in the condition survey report will be given a priority rating **1** to **3**.

- 1** Urgent work that will prevent immediate closure of the property, address an immediate high Health & Safety risk and / or remedy a serious breach of legislation.
- 2** Essential work required within 2 years that will prevent serious deterioration of the fabric of the property or associated services, address a medium Health & Safety risk and / or remedy a less serious breach of legislation.
- 3** Desirable work required within 3 to 5 years that will prevent deterioration of the fabric of the property or associated services, address a low Health & Safety risk and / or remedy a minor breach of legislation.

NB: Where condition surveys identify priority 1 works these are reported without delay to Building Managers and if practical addressed through reactive maintenance works.

Decision Matrix

This final matrix (**FIGURE 9** below) is used to determine the relative need to progress with the identified works and provides a clear, auditable process for allocating maintenance resources linked to our property performance indicator for Required Maintenance with Red works given priority over Amber and Amber over Green. By targeting expenditure in this way we can ensure that the priority items in our required maintenance are addressed as far as our budgets allow.

FIGURE 9: The Decision Matrix

		Condition Survey Prioritisation (see SECTION 6.4.4 above)		
		1	2	3
Property & Condition RAG Rating (see SECTION 6.4.3)	Red	Red	Amber	Green
	Amber	Amber	Green	Green
	Green	Green	Green	Green

7.0 BUILDING MAINTENANCE TARGETS

7.1 Our Targets 2015 to 2018

In order to monitor our progress towards the aims & objectives detailed in **SECTION 3.5** above, Property & Design have set the following targets covering the period 2015 to 2018.

Building Maintenance Strategy Target		Target Date
Building Maintenance Aim 1:	Allocating funding to projects that will achieve the maximum positive impact on our most essential services	
A.	95% of operational properties rated S1 or S2 are to have an overall condition rating of A (Good) or B (Satisfactory)	April 2018
B.	All operational properties are compliant with legislative and statutory requirements	Continuous
Building Maintenance Aim 2:	Targeting a proportion of the available funding against our identified required maintenance total	
C.	Condition surveys will be undertaken of all of our operational properties every five years on a 20% rolling programme	Annually
D.	The ratio of annual spend on planned and reactive work will be at least 70:30	Annually
E.	Our five year total required maintenance figure will increase below the annual level of inflation	Annually
F.	Our total five year required maintenance figure per m ² of floor area will be less than the bench-marked average for other authorities based on CIPFA supplied data	Annually
G.	The % of our total required maintenance assessed as priority 1 works will reduce year on year for our non-schools buildings	Annually
Building Maintenance Aim 3:	Achieving maximum efficiencies in the way we procure building maintenance works	
H.	Explore and pilot possible procurement options for the various building maintenance budgets to ensure best possible use of reducing budgets.	Continuous
I.	Continue to work collaboratively with neighbouring authorities and procure jointly where efficiency savings should be achieved through greater buying power.	Continuous

APPENDIX A: STRATEGIC PROPERTY RATINGS

(see Section 6.2 above)

S1

Core Service Property 1

A critical or high profile asset to be in the best possible condition. Failure to maintain the asset to this standard could result in a reduction in the provision of critical council services and/or potential statutory enforcement action (including related to an asset's grade 1 or 2* listed building status).

Core Civic Offices

Grade I or II* Listed Buildings

Brighton Centre

S2

Core Service Property 2

Asset to be in good condition both operationally and aesthetically. Failure to maintain the asset to this standard could result in a reduction in the provision of key statutory council services, receipt of a statutory improvement notice and/or a major loss of income.

Registered Care Homes

Other Main Offices

School Buildings

Mortuary & Crematorium

Children's Centres & Family Centres

Grade II Listed Buildings & Heritage Sites

Multi Storey Car Parks

Service Priority Assets

S3

Core Service Property 3

Asset to be in reasonably good condition that meets operational and statutory requirements. Failure to maintain the asset to this standard could result in a reduction in the provision of basic council services, incur additional costs in the re-provision of the service elsewhere and/or potentially attract adverse publicity.

Museums & Libraries

Day Centres

Hostels & Supported Housing

Leisure Facilities

Community Facilities

Hollingdean Depot

Other Patch Offices

Travellers Sites

S4

Non-Core Service Operational Property

Asset to be in a condition to meet minimum operational and statutory requirements. Failure to maintain the asset to this standard could result in the closure of a non-critical council service which could generally be re-provided elsewhere with relatively little cost impact.

Park Pavilions

Surface Car Parks

Public Toilets

Park Depots

Other Residential Accommodation

Non-Operational Property with a BHCC Repairing Obligation

S5

Non-Core Service Operational / Non-Operational Property

Asset to meet statutory requirements only, e.g. a property declared surplus and awaiting disposal. Failure to maintain the asset to this standard is unlikely to affect the overall saleability or value of the asset

Surplus Property

Non-Operational Property with no BHCC Repairing Obligations