

MUNICIPAL YEAR 2016/2017 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

PORTFOLIO DECISION OF:
Cabinet Member for Environment

REPORT OF DIRECTOR:
Regeneration and Environment

Agenda – Part: 1

KD Num: 4279

Subject:

**Corporate Repair and Maintenance and
DDA Programme – 2016/2017**

Wards: All

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1. EXECUTIVE SUMMARY

- 1.1 The report details the planned programme for the Corporate Repair and Maintenance Fund and the Disability Discrimination Programme (DDA).
- 1.2 Proposals are made for building specific works, which have been identified as meeting either a priority 1 or priority 2 rating or are required to meet legislation. Projects will be instructed and up to the available budget identified for 2016/17.
- 1.3 Planned Maintenance expenditure relates to the corporate property portfolio and facilitates the delivery of services across all Council groups. The report does not cover schools, or housing maintenance, which are subject to different funding streams.

2. RECOMMENDATIONS

- 2.1 That the financial position pertaining to the Corporate Repair and Maintenance and DDA fund be noted.
- 2.2 That Programmes for 2016-17 as detailed in Appendix A, be carried out, subject to available funding.
- 2.3 That a repair and maintenance funded quotation, in sum of £132,098 for ventilation works at Millfield Theatre be accepted.

3. BACKGROUND

3.1 The Council's Repair and Maintenance fund aims to ensure corporate buildings and their surroundings are fit for purpose. Properties are maintained via three 'R&M' work streams as listed below. In addition separate projects and other improvement schemes may incorporate an element of repair or maintenance work.

1. Reactive maintenance
2. Planned preventative maintenance.
3. Planned maintenance,

3.1.1 Reactive maintenance is often reported by premises managers to the helpdesk as and when they occur, such as blocked toilets, alarm resets or a broken window. The helpdesk (Careline) then instructs the appropriate Measured Term Contractor to rectify the fault.

3.1.2 Cyclical or planned preventative maintenance is carried out on a regular basis to a building's plant and equipment such as boilers or lifts.

3.1.3 Planned maintenance work, the subject of this report, is mainly identified via condition and other surveys. Properties are surveyed to assess their condition and the noted deficiencies are listed and ranked according to set criteria. Items of work are then grouped together, where beneficial to do so, and prioritised into a planned maintenance programme.

3.2 Programme Budget

3.2.1 The responsibility is addressed via the budget allocation in the Council's Capital Programme termed the Building Improvement Programme (BIP).

3.2.2 The programme has identified approximately 25% additional projects to allow some to drop out and some to be re-profiled. The programme is carefully tracked to ensure the available budget is not exceeded and any additions are agreed via an Operational Decision (Change Report) made under delegated powers.

3.3 Programme Compilation

3.3.1 Technical information gained from surveys, together with the Councils corporate objectives and client views, enables individual items of work to be prioritised and compiled into a programme of planned projects.

3.3.2 The disposal of some sites, and the previous transfer of the Leisure Centres has reduced the Council's maintenance liability. However, reactive and cyclical maintenance expenditure has increased as a

result of the Corporate Landlord Initiative and water hygiene issues at Reardon Court in 2016.

- 3.3.3 The current programme has been developed following a review of the data with service users. Account has been taken of maintenance trends and feedback from technical staff. Due to competing priorities and changing circumstances a reserve list is held of other potential works.
- 3.3.4 A consultation process was undertaken with Service Centre Managers to ensure the programme considered their views and priorities as far as practicable. This supports the objective of securing best value from the limited budget.
- 3.3.5 Consultation has also been undertaken with individual teams and occupiers. Due to changing asset management priorities it is difficult to pre-empt requirements over the full year that the programme runs. However, regular liaison with such stakeholders together with a formal change approval process ensures that the programme remains flexible, meeting the Councils changing needs and achieving maximum value for money from the budget.
- 3.3.6 A project to upgrade the defective ventilation system at Millfield Theatre has been agreed under the supplier Framework Agreement (Reference GLA80311) between Johnson Controls Limited and Enfield Council. This project is ready to start; therefore it is included in this report and recommended for approval in sum of £132,098.00.

This specialist work ties in with the previous energy saving 'REFIT' improvement programme, which was successfully completed by Johnson Controls Limited.

The proposed projects are listed in Appendix A.

3.4 Reserve Programme

- 3.4.1 In setting the current programme, it is clear that many projects are desirable if funding were available. These have therefore been put on a reserve list which it is proposed to actively manage according to the best available information at the time.
- 3.4.2 The 2016-17 priorities are based on condition surveys, analysis of reactive maintenance data and trends, ad hoc inspections and client consultation. As further condition surveys are carried out, priorities will be updated. The programme will need to be managed flexibly to accommodate such updates to ensure urgent priorities are addressed and less pressing work is postponed. The reserve programme will enable this process to be undertaken in a proactive but transparent fashion. The new set of priorities has been added to those projects that

have been carried forward, to create the proposed 2016/17 programme.

- 3.4.3 It is proposed that condition data will eventually be held on the Council's asset management system, Atrium. In addition, the project estimates supplied are based on general condition data, so these costs are subject to confirmation once works are specified.
- 3.4.4 The Council has a number of energy efficiency programmes, which are funded through the SALIX and REFIT programmes. There is some synergy with the Planned Maintenance Programme, and coordination across these programmes will ensure optimum use of all available funding.
- 3.4.6 Individual projects are subject to formal consultation and approval in accordance with the Councils constitution, Contract Procedure Rules and Scheme of Delegation.

4. ALTERNATIVE OPTIONS CONSIDERED

The Council could rely on reactive maintenance only, but this is not a cost effective or planned way to manage property, and would have detrimental effect on the corporate buildings portfolio in the medium to longer term.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Planned Maintenance comprises the careful attention to buildings, their structure, engineering services and hard landscaped surroundings necessary to retain them, or help restore them, to an acceptable condition. These measures are required to enable their continued function, preserve value, integrity, and to meet the continued expectations of the occupier.
- 5.2 All of the works will be procured in line with the Council's constitution in order to deliver value for money.
- 5.3 The types of projects undertaken under planned maintenance secure the longer term condition of buildings, maintain their capital value and reduce the need for repeated reactive repairs.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 Works identified and prioritised in Appendix A will be fully funded from the approved 2016/17 Building Improvement Programme and Disability Discrimination Programme (DDA) Capital Budgets.
- 6.1.2 The original budget of £1.5m for the Building Improvement Programme is supplemented by an assumed £100k underspend from 2015/16. Should the amount of underspend differ, following the completion of the 2015/16 accounts closedown, further projects will be bought forward for consideration and a Change Report will be considered by the Director for Regeneration and Environment accordingly.

6.2 Legal Implications

- 6.2.1 The Council, as a corporate landlord has numerous duties under common law and under statute (including Health and Safety at Work etc. Act 1974, Health and Safety Offences Act 2008, and Corporate Manslaughter and Homicide Act 2007, Occupiers liability Acts 1957 and 1984) with regards the premises that it owns and/or controls. These duties extend to all people on premises controlled by the Council whether or not they have lawful authority to be on those premises. A well planned, executed and funded maintenance programme will assist the Council to demonstrate that it takes seriously its obligations as an organisation in control of premises and may assist it to defend any action taken as a result of any incident occurring on premises within its control. Section 120 of the Local Government Act 1972 permits the Council to acquire property for the purposes of performing its functions and s111 of the Local Government Act 1972 permits the Council to do anything that is incidental to a statutory function. The funding of a repair and maintenance programme would be within its powers.
- 6.2.2 The Council must ensure that any contracts for the repairs and maintenance are procured in accordance with the Council's Contract Procedure Rules and are in a form approved by Assistant Director of Legal Services.

6.3 Property Implications

- 6.3.1 Regular and effective planned maintenance is essential in ensuring the medium to long term health of a building. A Corporate approach helps ensure that best value of obtained from the available funding.
- 6.3.2 Failure to undertake appropriate planned maintenance can lead to loss of property value, a building becoming unfit for purpose, and the ultimate closure on suitability or health and safety grounds.
- 6.3.3 Effective planned maintenance has the potential to reduce the level of carbon emissions produced by buildings. Energy efficiency gains will generally be realised for example, by renewing a boiler or a roof covering.

7. KEY RISKS

- 7.1 Planned Repair and Maintenance Programme helps maintain buildings so as to prevent major failure and reduce total maintenance costs over time;
- 7.2 As detailed under "Legal Implications", should relevant statutory functions not be complied with, there is an increased possibility of legal action with associated financial penalties;
- 7.3 Effective planned maintenance has the potential opportunity to reduce the level of carbon emissions produced by buildings.
- 7.4 We would advise that regular review of the risk and issues assessment is planned by service, to track any developing issues or risks.

8. IMPACT ON COUNCIL PRIORITIES

- 8.1 **Fairness for All** – The Corporate Planned Maintenance programme will be constructed around those buildings which have an assessed high priority need, unless there is a good economic or environmental argument to incorporate lower priorities. The aim is to prevent building failure and to ensure services to the public are not interrupted.
- 8.2 **Growth and Sustainability**- The proposed programme contains a number of environmental improvements, particularly in relation to the replacement of old plant.
- 8.3 **Strong Communities** – Planned maintenance assists in ensuring that buildings and other assets are safe for staff and visitors.

9. EQUALITY IMPACT ASSESSMENT

Corporate advice has been sought in regard to equalities and an agreement has been reached that for approval of the planned maintenance work programme, an equalities impact assessment/analysis is neither relevant nor proportionate.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Regular monitoring of the programme and individual contracts will ensure value for money is obtained and support effective delivery.

11. HEALTH AND SAFETY IMPLICATIONS

The proper planning and timely maintenance and repair of Council buildings and associated assets, is fundamental in reducing risks to occupiers and members of the public.

12. PUBLIC HEALTH IMPLICATIONS

None.

13. DEFINITIONS

13.1 **BLOCK BUDGETS.** These are sums set aside to fund known planned work streams. However the exact location and nature of such work is identified through on-going surveys or the servicing of plant. For example, a programme of asbestos surveys is planned for the coming year and these are likely to generate the need for remedial works to address a risk or deficiency. Therefore this block budget is set aside in order undertake any identified high priority works, in a timely and safe fashion.

Maintenance activities are generally arranged as follows:

13.2 **PLANNED MAINTENANCE (Condition-Based)** is to be used to comply with statutory requirements and for building fabric, structural components and renewal of time expired plant. The aim is to prevent major failure and reduce total maintenance costs over time. Undertaken as a result of an asset's condition and driven by a condition assessment or inspection process. This will apply to all building structures, fabric, mechanical and electrical services and site improvements.

13.3 **Backlog Maintenance** is maintenance which has been deferred on a planned or unplanned basis usually due to lack of funds. Backlog maintenance should be re-evaluated at least annually in terms of priority and considered for undertaking.

13.4 **TERM MAINTENANCE (Preventative, Cyclical, Servicing or Time Based)** is used to comply with statutory or manufacturer's requirements for building services, and is undertaken at predetermined time intervals as required by statutory, technical or operational reliability considerations. This may be applied to building structures, fabric, services and site improvements but is used predominantly for the maintenance of mechanical and electrical services.

13.5 **REACTIVE MAINTENANCE (Corrective, Day-to-Day)** is usually minor unplanned maintenance used for assets experiencing breakdown, failure or vandalism of a component and for maintenance of those assets identified for disposal. Apart from statutory requirements, no maintenance action is undertaken until breakdown or the asset quality falls below the minimum standard specified for the asset. Reactive

maintenance may be used for minor non-critical assets and those assets planned for refurbishment, replacement or disposal.

14.0 APPENDIX A
Repair and Maintenance Programme 2016/17

Ref.	Property	Block	Project Works	Priority	Work Budget
BLOCK BUDGETS					
1	Minor Works Projects	Various Sites	Priority works emanating from on going condition survey programme	1	£15,000
2	Corporate Tree Maintenance	Various Sites	Surveys and remedial tree works	-	£30,000
3	Asbestos Abatement	Various Sites	Remedial Works following surveys	-	£20,000
4	Fire Precautions Work	Various Sites	Priority works from fire risk assessments	-	£10,000
5	Water Hygiene Improvements	Care Homes	Install CDU's (health precaution work)	-	£10,000
Carry Forward from 2015/16 (cost adjusted)					
6	1-3 Gentlemens Row	Roof	Roof repairs	1	£10,000
7	Salisbury House	External	External Decoration and Joinery repairs	1	£65,000
8	321 Baker Street		Structural	1	£85,000
9	Enfield Playing Fields and Albany Park	Depot	Refurbishment	1	£47,295
10	Grovelands Park	Mess Room	Refurbishment	2	£17,265
11	Broomfield Park	House	Scaffold Structural Support Work	1	£10,000
12	Parks Water Features	Splash Pads	Additional Plant renewals & health upgrades	1	£20,000
13	Palace Gardens	Car Park	External Brickwork Refurbishment	1	£80,000
14	Pymmes Park	Bowls Club	Structural Repairs	1	£22,000
15	Pymmes Park	Depot	Full Refurbishment	1	£72,609
16	Pymmes Park	Visitor Centre	Fire alarm installation and Heating Control upgrade	1	£20,000
17	Trent Park	Gates	Restoration of Main Entrance Gates	1	£9,740
New Items					
Libraries					
18	Enfield Island Village Library	n/a	Server cabinet ventilation works	n/a	£10,000
19	Fore Street Library	Roof	Minor repair works to roof, RWG and damaged external brick wall	2	£7,000
20	John Jackson Library	Roof	Minor repair works to main roof, external walls, windows and doors	2	£5,500
21	John Jackson Library	Services	Renewal of emergency light system and supplement fire detection system	2	£6,000
22	Oakwood Library	External	Various external minor repair works	2	£4,000
Corporate Properties					
23	Charles Babbage House	Services	Replacement of central cooling system and instalment of new ventilation system with associated works	2	£3,500
24	Church Street 265	External	External minor repairs to external doors, windows and walls	2	£3,800
25	Church Street, 59	External	Minor repair works to windows and brick wall	2	£3,500
26	Civic Centre Site	Services	Blocks A & D Domestic Water Upgrade	1	£87,500
27	Community House	Main	Overhaul Windows	2	£26,000
29	Enfield Business Centre	Internal	Internal decoration works and minor repairs	2	£15,000
30	Enfield Public Safety Centre	Internal	Server room extension	n/a	£60,350
31	Gentleman's Row 1-3	Services	Electrical repair and replacement works to general and emergency lighting, fire detection system and mechanical repair works to cold water storage tanks	2	£24,000
34	Marsh House	Structural	Structural Repairs	1	£9,200
35	Silver Street 58-60	External	Replacement of flat roof covering with associated works	2	£40,000
36	Silver Street 84	External	Minor repairs to pitched roof and RWGs.	1	£3,500
37	Silver Street 84	Services	Installation of emergency lighting, new extractor fans in WCs, installation of fire alarms and other associated works	2	£27,500
Day Centres					
38	Rose Taylor Day Centre	Services	Heating, Ventilation & Lighting upgrade	2	£45,000

Ref.	Property	Block	Project Works	Priority	Work Budget
39	Ruth Winston House	External	Windows replacement	1	£17,500
	Depots				
40	Morson Road Depot	External	Security Upgrade	1	£44,950
	Family & Children's Centres				
41	Edmonton Family Centre	External & Inter.	External and internal decoration works and minor roof and paving repairs	2	£14,000
42	Albany Children's Centre	Services	Electrical testing and remedial repairs	1	£3,500
43	Cheviots Childrens Centre	External	Balcony Repairs	1	£15,000
	Heritage Use				
44	Broomfield Park	Stables Building	Structural and maintenance repair works (as per Structural Engineer's report)	1	£24,000
46	Forty Hall	Internal	Warreners Cottage Repairs	2	£12,500
47	Forty Hall	External	External Decoration	2	£25,000
48	Forty Hall	Internal	Banqueting Suite & Café	2	£12,500
49	Forty Hall	Internal	Various repairs including flooring	2	£12,500
50	Millfield House	Internal	Aylward Room Ceiling & Floor Repairs	1	£4,000
51	Millfield Theatre	Services	Upgrade Heating and Ventilation Systems	1	£132,098
	Non Schools Education Support				
52	Addison House	Services	Feasibility on upgrade of all heating and electrical systems	2	£5,000
	Parks				
53	Montagu Recreation Ground	Bag Room	Ventilation Improvements	1	£10,000
54	Arnos Park	External	Restoration and repair works to one double and two single metal gates	1	£30,000
55	Durants Park	External	Demolition of Disused Toilet Block	2	£9,000
56	Grovelands Park	External	External and internal works to the mess room	1	£17,300
58	Pymmes Park	External	External decorations and associated works	1	£4,050
59	Pymmes Park	External	External minor repairs to the Beverley Bowls Club	1	£17,612
60	Broomfield Park	Bowls Club	Structural Repair survey/repairs	1	£22,000
62	Bush Hill Park	External & Inter.	External and internal re-decoration, sanitary fittings replacement and windows repairs	2	£37,500
63	Churchfields Recreation	External	Exterior repairs to the main building together with re-tarmacking	1	£18,470
64	Grovelands Park	Tennis Courts	Refurbishment	1	£20,000
	Youth & Community Centres				
65	Croyland YC Centre		Minor external repair works to main roof, external walls, windows and doors	2	£3,500
				total	£1,422,222
				12.5%	£177,778
					£1,600,000
DISABILITY & DISCRIMINATION ACT PROGRAMME (DDA)					
Carried Forward from 2015/16 (cost adjusted)					
A	Rose Taylor Day Centre	DDA	Disabled Entrance Improvements		£13,200
B	Block Budget	DDA	Various Sites DDA Works		£27,500
C	Millfield House	DDA	Accessible Ramp to Art & Pottery Room		£16,500
D	Salisbury House	DDA	Accessible Improvements		£13,750
New Items					
E	Community House	DDA	Alteration & Replacement of Lift to make accessible and DDA compliant		£85,000
F	Civic Centre	DDA	Accessible toilets		£90,000
				total	£245,950

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ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION

OF: Cabinet Member for
Environment

REPORT OF:

Director –Regeneration
and Environment

Agenda – Part: 1

KD Num: 4277 / 4278

**Subject: Extension of Contracts for
Responsive Maintenance and Minor Works
(Non Housing):**

Contract One: Building

Contract Two: Mechanical and Electrical

Wards: All

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

- 1.1 This report concerns the extension of contracts for undertaking responsive maintenance, planned maintenance and minor works to the Council's non housing property portfolio. The undertaking of these works are necessary in order to ensure that the Council's corporate buildings are maintained in a safe and fit for purpose condition, that they maintain their capital value and the mechanical and electrical services plant and equipment within them are tested and inspected in accordance with associated statutory legislation.
- 1.2 The works are split into two contracts: Contract One for Building Works held by Kirkman and Jourdain Ltd and Contract Two Mechanical and Electrical Services held by Munns Ltd. The contracts commenced on 8th April 2013 for an initial period of two years but with provision for a further three years in increments of one year. It is proposed to implement the second year's extension in order to extend the contracts until 7th April 2017. A further report will be submitted concerning any further extension or re-procurement.

2. RECOMMENDATIONS

- 2.1 That the Cabinet Member for Environment approves the enactment of the extension provision within the Responsive Maintenance and Minor Works (Non Housing) Contracts as detailed below.
 - 2.1.1 To extend the measured term contract for Building Works held with Kirkman and Jourdain Ltd until 7th April 2017.
 - 2.1.2 To extend the measured term contract for Mechanical and Electrical held with Munn's Ltd until 7th April 2017.

3. BACKGROUND AND CONTRACT EXTENSION

- 3.1 The Council's corporate property portfolio comprises circa 950 properties, excluding schools and social housing. The Council has an obligation to ensure such buildings are maintained in a safe and fit for purpose condition; that they maintain their capital value and the mechanical and electrical services plant and equipment within them are tested and inspected in accordance with associated statutory legislation. In order to do this the Council undertakes Planned Maintenance, Planned Preventative Maintenance (PPM) and Reactive / responsive Maintenance.
- 3.2 A medium term procurement strategy was agreed at Strategic Procurement Board on 29th September 2011. This sought to consolidate existing contracts, increase competition and thus value for money, and reduce significant resource overheads associated with frequent procurement exercises.
- 3.3 These key objectives were achieved via:
- The separate contracts (east and west of borough) were combined into one contract for both building and mechanical and electrical. Additionally some elements of cyclical plant servicing were incorporated in the mechanical and electrical contract to extract greater savings.
 - The EU open tendering procedure was held in accordance with the Public Contract Regulations 2006 and attracted over twenty submissions for each contract.
 - The length of contracts was set to enable the Council to explore a Total Facilities Management delivery arrangement (TFM). Previous contracts had been in place for 8 years. A two year contract with options to extend up to a maximum of 3 years (in one year increments) provided the flexibility required, whilst enabling the Council to secure best value rates of a longer contract.
- 3.4 The measured term contracts were tendered during 2012 and following Cabinet approval on 13th February 2013 were awarded as follows:
- Lot 1 Building Works to Kirkman and Jourdain Ltd in the two year notional sum of £1,863,166
 - Lot 2 Mechanical and Electrical Works to Munns Ltd in the two year notional sum of £1,791,903
- 3.5 The contracts were let for the initial period of two years commencing 8th April 2013 with an extension clause to permit a further three years in increments of one year (i.e. 5 years maximum overall). The Cabinet meeting agreed to delegate to the Cabinet Member for Environment

authority to enact the extension clause or clauses within the contract should that be in the Council's best interest at the time to do so.

- 3.6 The contracts awarded presented good value for money for the Council. This was demonstrated through achieving a significantly greater discount (percentage reduction) on the national schedule of rates for works from that achieved during the previous contract.
- 3.7 The contracts were originally let on the basis of a fixed price until 7th April 2015 with the Contractors providing percentage adjustments to the 2012/13 National Schedule of Rates. The National Schedule of Rates is updated each August and the contract extension as detailed in the contracts will update the National Schedule of Rates to the 2014/15 edition for the year until 7th April 2016 and the 2015/16 edition for the year until 7th April 2017. The Contractors' percentage adjustments remain fixed for the entire contract period including any extensions. The percentage uplifts represented by the 2014/15 National Schedule of Rates compared to the 2012/13 editions based on a typical basket of rates are as follows:
- Contract One: Building Works: an uplift of 4.0%
 - Contract Two: Mechanical and Electrical Works: an uplift of 2.2%
- 3.8 This compares very favourably to the tender prices indices which have risen 8.1% for repairs and maintenance contracts over the same period. The PPM rates are to be adjusted using market indices and a 10% uplift has been calculated to add to the original 2012/13 tender rates.
- 3.9 Therefore extending existing contracts with the discounted rates achieved against the national schedule of rates continues to represent good value for money for the Council.
- 3.10 The revenue spend on the contracts in 2016/17 will be determined by available budgets and demand but are broadly expected to be similar to the previous years plus inflation as detailed in paragraph 6.1.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The provision of these services could be undertaken via other facilities management type contracts. The timescales to procure such contracts are such that it is not possible in the short term to consider this as an option. As detailed above the contracts contain a break clause which allows the Council upon 13 weeks' notice to determine the contracts should better opportunities arise for alternative ways to deliver the services.

- 4.2 Both contractors have performed to satisfactory standard as evidenced via regular key performance indicator reporting. It is important that the Council maintains continuity of service. There are no issues that preclude the contracts being extended at this point.
- 4.3 A further review will be undertaken as to whether a Total FM or similar contract should be considered in future.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The Council has a legal obligation to ensure that its corporate buildings are maintained in a safe and fit for purpose condition. The current contracts that undertake this work are due to expire on 8th April 2016. The contracts will then have a provision to extend for one final year to 2018 - if agreeable. In order to maintain the contracts it is necessary that the second of the one year extension provision is enacted.
- 5.2 As stated above the current arrangements are still considered the most appropriate way forward but will be kept under review. Should the Council decide to re-procure these contracts, a minimum of 12 months is required to undertake this exercise.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The responsive maintenance, planned maintenance and minor works to the Council's non housing property portfolio will be met from the revenue budget provision for repair & maintenance on non-housing property portfolio, which is funded from the Repairs and Maintenance Reserve - includes the annual R&M budget contributions to the reserve.
- 6.1.2 The costs of any minor works that meet the definition of capital expenditure will be met from the budget allocation within the Building Improvement Programme or other capital budgets (as per the approved/agreed arrangements).

Contract	2013/14 Expenditure	2014/15 Expenditure	2015/16 Estimated Expenditure	2016/17 Estimated Expenditure (Average)	Comment
One Building (Kirkman and Jourdain Ltd)	£178,746	£631,185	£516,591	£442,174	These costs are funded from the Repairs and Maintenance Reserve
Two M&E (Munns Ltd)	£562,801	£530,784	£846,820	£546,801	
Total	£741,547	£1,161,969	£1,363,411	£988,975	
Note: There is sufficient funding in the reserve to cover the above estimated cost.					
One Building (Kirkman and Jourdain Ltd)	£264,512	£273,337	£100,722	£212,857	These costs are funded from service/clients directly
Two M&E (Munns Ltd)	£174,181	£208,221	£47,910	£143,438	
Total	£438,694	£481,558	£148,632	£356,295	
One Building (Kirkman and Jourdain Ltd)	£15,964	£65,815	£168,284	£83,354	These costs are funded from Capital Budgets
Two M&E (Munns Ltd)	£6,626	£28,674	£1,855	£12,385	
Total	£22,590	£94,489	£170,139	£95,739	
Grant Total	£1,202,830	£1,738,016	£1,682,182	£1,441,009	

6.1.3 The contracts were let on the basis of a fixed price until 7th April 2015 with the Contractors providing percentage adjustments to the 2012/13 National Schedule of Rates.

6.1.4 The estimated costs of the percentage uplifts has not been included in the estimates above (see paragraph 3.8)

6.2 Legal Implications

6.2.1 The Council has the power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way. Under Section 2(1) of the Health and Safety at Work etc Act 1974 the Council owes a duty to ensure the health, safety and welfare at work of all its employees. Section 111 of the Local Government Act 1972, enables local authorities to do anything, which facilitate or are conducive or incidental to the discharge of their functions. The proposed contract extensions are in accordance with this power.

6.2.2. The client has confirmed that the initial contracts with both Contractors were tendered in accordance with EU Regulations and EU principles of transparency, equal treatment, proportionality and non-discrimination. The initial contracts signed with the Contractors further allowed for the extension of the contract term as proposed in this report. The Council will therefore be in compliance with EU Regulations and the Council's Contract Procedure Rules in carrying out the proposed contract extensions.

- 6.2.3. Any variation must be in a form approved by the Assistant Director of Legal and Democratic Services.

6.3 Property Implications

The contracts to be extended are fundamental to the Council's delivery of its day-to-day reactive repairs and planned maintenance responsibilities to its corporate portfolio, thus ensuring the continued operation of buildings and the services delivered from them.

However a longer term strategy must be implemented over the next year.

7. KEY RISKS

7.1 The key risks relate to:

- 1) Non-performance of the contractors. Should this occur the Council has financial redress within the terms of the contract and as the contracts have no guaranteed workload the Council could place orders for works with other providers. In addition the contracts contain a break provision upon 13 weeks' notice.
- 2) The failure to undertake repairs and maintenance to its property portfolio leading the closure of buildings and/or unsafe working environments. The extension of these contracts will reduce this risk significantly by maintaining the established provision to undertake such repairs and maintenance.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The extension of these contracts will help ensure that the properties covered by the contracts will be safe for all members of the public and staff to use

8.2 Growth and Sustainability

None directly

8.3 Strong Communities

None directly

9. EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is not relevant or proportionate for the extension of this contract.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The contracts include performance management measures, including quarterly meetings, and submission of KPI data. The performance of the contractors has been generally satisfactory. These arrangements will continue. Should either of the contractors' performance become unacceptable there is provision in the contract to determine it on upon 13 weeks' notice.

11. HEALTH AND SAFETY IMPLICATIONS

The failure to have in place effective contracts from would increase the risk of the Council not fulfilling its legal obligation to maintain its property in a safe condition. The recommended contractors have in place satisfactory health and safety policies and procedures.

12. PUBLIC HEALTH IMPLICATIONS

There are no direct public health implications except the effective maintenance of the Council's buildings through these proposed contracts will contribute to the Council's ability to deliver services to the public and help ensure that the properties covered by the contracts will be safe for all members of the public and staff to use.

Background Papers

None.