

## **CABINET**

**29 SEPTEMBER 2015**

### **BUILDING REPAIRS AND MAINTENANCE FUND**

Portfolio Holder: Councillor Adrian Gulvin, Resources

Report from: Perry Holmes, Assistant Director, Legal and Corporate Services

Author: Nick Anthony, Strategic Property and Energy Manager

#### **Summary**

The purpose of this report is to seek Cabinet approval for Council to agree an addition to the capital programme to allow an increase in the provision of the building repairs and maintenance fund.

#### **1. Budget and policy framework**

1.1 The management and maintenance of the Council's corporate property portfolio is a Cabinet responsibility and additions to the capital programme are a matter for Full Council.

#### **2. Background**

2.1 The Council's corporate portfolio of operational buildings is a key resource in enabling the delivery of services to customers. Its effective management and maintenance is essential in ensuring the Council meets its two core values of putting the customer at the centre of everything we do and giving value for money.

2.2 The portfolio is a significant element of the Council's overall land holdings and is managed through a combination of building works, refurbishments and rationalisation.

#### **3. Building Repairs and Maintenance Fund (BRMF)**

3.1 The BRMF forms an important element of the Council's capital programme and is utilised to support the on going repair and maintenance of operational buildings. However, as outlined later in this report, the fund is largely committed and in order to continue to undertake essential building maintenance its replenishment is being sought.

3.2 To ensure the Council receives the best possible value for money whenever possible the fund and other building related capital schemes are utilised as match for funding bids to external organisations, such as the Heritage Lottery Fund.

- 3.3 The corporate property team and building managers are also working very closely with Medway Norse to ensure an integrated approach is taken to both building maintenance and facilities management. For example by utilising Medway Norse's in-house self delivery team for building maintenance both the Council and the partnership benefit.
- 3.4 A targeted approach is also being taken with regard to the Council's portfolio of heritage buildings, where up-to-date condition surveys have been commissioned in close consultation with the Council's conservation team. These are enabling programmes of prioritised repairs and maintenance to be developed in partnership with Medway Norse.
- 3.5 In the past three financial years BRMF spend has been as follows:
- 3.5.1 2012/13: £461,175
- 3.5.2 2013/14: £332,029
- 3.5.3 2014/15: £770,972
- 3.6 With regard to current financial resources it is being reported in the present round of capital budget monitoring that spend in 2015/16 in respect of committed schemes will be £480,952. This will leave a balance of £172,292, which itself is committed for spend in 2016/17.
- 3.7 To fund essential building repairs and maintenance officers recommend an addition to the BRMF of £1,000,000.

#### **4. Options**

- 4.1 Whilst the Council is committed to ensuring its portfolio of operational buildings delivers the best possible value for money a corporate capital fund to support its on going maintenance is considered essential.
- 4.2 This addition to the programme is to be funded from capital receipts, but will require a reprioritisation and rephasing of the current programme over the medium term.
- 4.3 Continue to pursue property rationalisation in order to lessen pressures on the BRMF

#### **5. Advice and analysis**

- 5.1 Cabinet considered the Capital Budget Monitoring report 2015/16 – Quarter 1 on 25 August 2015, where it was reported that the BRMF is to be funded from capital receipts. In order for this to be achievable across 2015/16, a re-phasing exercise is needed of the current programme, over a longer period. There is a gap between the current estimate into the level of capital receipts needed to fund the programme and the forecast levels of capital receipts achievable. Therefore, a review of the programme is needed in order to re-profile the current programme over the longer term. This re-profile will not only cover the shortfall in capital receipts, but also release additional resources to fund the BRMF.

## 6. Consultation

6.1 Service providers, building managers and Medway Norse are consulted as maintenance programmes and projects are developed.

## 7. Financial and legal implications

7.1 The financial implications are set out in the body of the report.

7.2 There are no direct legal implications relating to this report.

## 8. Risk management

8.1 The following potential risks have been identified:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Financial	The need for unforeseen repairs and maintenance exceeds budgetary provision.	Building condition surveys are undertaken where appropriate to inform the programme of maintenance and adequate funding is provided.	Low
Building closure / deterioration / health and safety incident	Lack of adequate maintenance leads to building closure / deterioration / health and safety incident.	Planned, programmed and reactive maintenance are adequately, managed, implemented and resourced.	Low

## 9. Recommendation

9.1 That Cabinet recommends to Full Council on 15 October 2015 approve a BRMF addition to the capital programme of £1,000,000, to be funded from capital receipts based on a re-prioritisation and re-phasing of the existing programme by the Chief Finance Officer, in consultation with the Leader.

## 10. Suggested Reasons for Decisions

10.1 To provide sufficient capital resource to maintain key operational buildings and the services delivered from them.

### Lead officer contact

Nick Anthony

Strategic Property and Energy Manager

Tel: (01634) 332294

Email: [nick.anthony@medway.gov.uk](mailto:nick.anthony@medway.gov.uk)

**Appendices:** None

**Background papers:** None.