

CABINET

16th July 2019

FUTURE MAINTENANCE - OPERATIONAL PROPERTIES

Report of the Director for Places (Development & Economy)

Strategic Aim:	Sound Financial and Workforce Planning	
Key Decision: Yes	Forward Plan Reference: FP/240519	
Reason for Urgency:	N/A	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Andrew Edwards, Head of Property Services	01572 758391 aedwards@rutland.gov.uk
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Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Authorise the Head of Property Services in consultation with the Portfolio Holder for Planning, Environment, Property and Finance to appoint appropriate professional support through the agreed revenue budget 2019/20 to fully develop the programme and scope of works to ensure the costs are robust.
2. Authorise the Head of Property Services in consultation with the Portfolio Holder for Planning, Environment, Property and Finance to develop award criteria, issue tender documentation and receive bids from potential contractors for the works identified in this report.
3. Authorise the Head of Property Services in consultation with the Portfolio Holder for Planning, Environment, Property and Finance to alter the timing and scope of the projects ensuring 'best value' for Rutland County Council.
4. Notes that a series of reports will be provided to Cabinet seeking the release of project funds and approval to appoint contractors.

1 PURPOSE OF THE REPORT

- 1.1 To allow the Head of Property Services to move forward and obtain competitive tenders for the works outlined in this report, so that figures reported to Cabinet are actual project costs, rather than estimates.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The property portfolio of the Council is ageing and many of the constituent parts are coming to the end of or beyond their design life. Whilst it may be possible to undertake elemental repair this is becoming increasingly difficult as parts become obsolete or are challenging to source. Such an approach is costly and by its nature is only temporary as the component will require further work or replacement in the future.
- 2.2 To fully ascertain the full scope of works and in accordance with good estates practice, a series of condition inspections have taken place. The condition inspection identifies priorities and approximate cost. These are set out in Appendices A.
- 2.3 It must be stressed that the costs identified in Appendix A are based upon visual inspections with limited intrusive surveys and therefore should be considered as an indication of costs, rather than a defined price. As a result, it will be necessary to undertake further survey and investigation work to develop the costs and programme to a point where they are robust.
- 2.4 Given this, the annual spend is anticipated to be in the region of:

Description	Spend per Financial Year (£)		
	19/20	20/21	21/22
Catmose House	112,400	270,500	133,900
Catmose Cottage and Museum	50,000	73,000	11,000
Uppingham Library		13,500	40,000
Ketton Library	6,000	6,000	
Jules House			52,500
Sub Total	168,400	363,000	237,400
Contingency (10%)	16,840	36,300	23,740
Total	185,240	399,300	261,140
Fees	85,000	Fees included in FY19/20 Budget	
Management Costs	7,500	16,000	11,000
Overall Total	277,740	415,300	272,140

- 2.5 It should be noted that the above figures do not include any reactive maintenance, which is funded out of existing budgets.

- 2.6 Excluded from the costs above are works that have already been approved in principle by Cabinet. The award of the contract for the replacement of the Catmose Boilers to T Clark Ltd for the sum of £88,728 was approved by Cabinet (Report No.74/2019) on the 16th April 2019. The award of the contract for the repair/replacement of the Museum Roof is subject to consideration at this Cabinet, but approval to go out and seek tenders (Report No. 181/2018) was granted on the 16th October 2018.
- 2.7 In addition, provision has already been made within this financial year (FY19/20) of £85,000 to cover design fees, so it is now possible to progress these projects to a stage where they are able to be tendered and robust costs identified. These costs are identified in the above table.
- 2.8 In general the selection criteria will be as follows, with the weighting criteria set at 60% price and 40% quality.

P	Price	60%
Q	Quality	40%
	Quality questions & weightings	
Q1	Understanding of the contract documents	10%
Q2	Method statement	10%
Q3	Health & Safety	10%
Q4	Programme	5%
Q5	Experience of personnel assigned to the project	5%
	Total	40%

- 2.9 However, it is likely that due to the complexity of these projects there will be occasions when the award criteria will need to vary from that outlined, above. Given this, authority is requested from Cabinet to vary the award criteria on a case-by-case basis, but these will be reported to Cabinet when the specific funds are requested for the individual projects.
- 2.10 The works outlined in this report will also allow, over time a reduction in the revenue budgets associated with the Operational Property portfolio. Currently, approximately 80% of the works budget is spend on unplanned maintenance. Whilst there will always be an element of unplanned maintenance that ratio should be closer to 80% planned and 20% unplanned.
- 2.11 Whilst it will take a number of years to get to this position, the benefits will be seen next year regarding the works that will be completed on the Catmose Boilers and the Rutland County Museum Roof. During the last 12 months circa £6,000 was spent on the Boilers and £8,000 spent on the Rutland County Museum Roof.
- 2.12 These are revenue costs that will not be incurred over the coming years and will ensure that assets are fit for purpose and contribute to lower operating costs for the Council.

3 CONSULTATION

- 3.1 Consultation has taken place internally with the Portfolio Holder, Legal, Finance and the Director of Places.

4 ALTERNATIVE OPTIONS

- 4.1 There is a 'do-nothing' option that could be considered but this would involve the gradual deterioration of assets leading to increased revenue costs and their eventual replacement.
- 4.2 The only other option to consider would involve not going to tender. This would require Cabinet to give authority on a case-by-case basis and then approve the release of funds and contract award.
- 4.3 The approach proposed in this report will allow Cabinet to maintain oversight whilst allowing the project to move forward effectively and report to Cabinet actual costs, prior to the release of funds.

5 FINANCIAL IMPLICATIONS

- 5.1 Since this report only seeks approval to issue tenders and receive bids there are no additional financial implications at this stage. The Capital Programme includes a project to fund these works with a budget of £85k.
- 5.2 Future reports will be provided that will identify actual costs for each individual project and the funding sources will be considered at this time. There is currently no provision for the works detailed in appendix A within the Councils Capital programme or any funding being held specifically to fund the works.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 All works will be procured in accordance with the Contract Procurement Rules. There are no other legal considerations.

7 DATA PROTECTION IMPLICATIONS

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed as this project only asks for the release of initial funding.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 This report only seeks approval for the issue of tenders, so there are no Equality issues.

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no community safety issues.

10 HEALTH AND WELLBEING IMPLICATIONS

- 10.1 There are no health and wellbeing issues.

11 ORGANISATIONAL IMPLICATIONS

11.1 All work will be undertaken at times which cause as little disruption as possible.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 Early release of funding to support the development of project programme with realistic costs that will support submission of a future report to Cabinet, seeking the release of funds and award of contract.

13 BACKGROUND PAPERS

13.1 There are no background papers.

14 APPENDICES

14.1 Appendices A: Schedule of works and programme cost.

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