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**Report to: Place Committee**

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**Date: 12<sup>th</sup> September 2019**

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**Subject: Corporate Buildings Update**

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**Report by: Strategic Director (Place)**

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### **1.0 Purpose**

- 1.1. Following a corporate redesign, the Housing Service inherited responsibility for the Building Management of the Public Buildings Asset Portfolio in January 2017. This remit has been associated with the Housing Team Leader Planned Works & Compliance since September 2017.
- 1.2. This report outlines the current position to members in terms of improvement actions that have been actioned and works that are underway.

### **2.0 Recommendations**

- 2.1 It is recommended that the Committee:
- 2.2 Note the progress made with corporate buildings and that further improvements are underway;
- 2.3 Note the continuing resource requirement and review of the budget savings to be netted against savings identified during the budget process (4.2);
- 2.4 Note that the Service will be seeking via business case to appoint a Building Surveyor to carry out a rolling stock condition survey programme of the General Fund Public Buildings. This will build up specific information on our General Fund Assets and develop Capital Investment priorities, and ensure Council can make informed decisions on retentions and disposals (4.5);
- 2.5 Note the remainder of the report.

### **3.0 Background**

- 3.1. As highlighted above Building Management and Maintenance for the Public Buildings Asset portfolio was passed to the expanded Housing Service in early 2017. At that time, extensive Planned Preventative Maintenance and compliance matters were being instructed through a Facilities Management (FM) Contract with one external supplier.

- 3.2. Unfortunately, no formal handover took place when this work transferred to the Housing Service, which has made information gathering a lengthy and painstaking process with information, certification, and clarification of areas of responsibility held in different spreadsheets. For example, it was recently discovered that the service is responsible for a significant number of boundary walls, which were not listed in the corporate asset register as they have no financial value. This could represent a significant demand pressure from the service.
- 3.3. In addition, as members are aware, in March 2018 an internal audit report could only provide limited assurance to members over the management and monitoring over the lifetime of the FM contract, which had resulted in GF overspends.
- 3.4. With this background much work has been taken forward to ensure corporate building information is where we require it in order to make informed decisions going forward.

#### **4.0 Housing Service Approach**

- 4.1. A specific Compliance Management team which cover the Public Buildings portfolio has been established, which included the recruitment of two project coordinators in September 2017. A public buildings help desk was also created to ensure a central response for building and equipment failures and to progress repairs.
- 4.2. This team and process has, for the first time in many years, provided clarity as to the progress being made in meeting the council's legal requirements in respect of equipment and building inspections and maintenance. Therefore, in this context, it was imperative that the five maintenance officers previously identified through Targeted Voluntary Redundancy were kept employed by the council to fully resource this requirement and subsequently staff were removed from the TVR pool. The Place Directorate will consider management of the budget pressure to be netted against any identified savings during this year's budget process.
- 4.3. The team working in conjunction with colleagues delivering capital works at PCU has led to a more joined up approach, as opposed to teams working within silos. Key priorities are now being identified through maintenance and inspection and then progressed as a Capital Application if required. The clearer link between revenue repairs and capital spend will ensure that members are receiving greater clarity on costs when decisions are required on retention or sale of corporate buildings. Moreover, it should enable greater control over costs to ensure resources are not wasted.
- 4.4. The team leader has started preparation work on an Asset Management Plan for Public and School buildings. However, some recent validation work of the surveys carried out in 2016 and 2017 has highlighted some errors and omissions. It is therefore a concern that forming a future Capital Plan or asking members to make decisions based upon these results could be flawed. Resource capacity to fully undertake this exercise has been difficult but it is seen as business critical, especially for the Council's Learning Estate Strategy

which will ensure that future decisions can be made with correct and robust information.

- 4.5. The service is therefore recommending that a post is created specifically to carry out a rolling programme of condition surveys of the council's non-domestic assets and school buildings. Collation of valuable information through our own council resources will avoid the procurement and reliance on external consultants. Crucially information gained will inform the Capital Planning process and report on our statutory duties to the Scottish Government in terms of the School Buildings.

## **5.0 Key Corporate Buildings Updates**

- 5.1. **Asbestos Management** – Previously asbestos survey information was internally commissioned, and a subsequent review discovered that these reports had certain deficiencies. The Housing Service Manager, in co-operation with the Strategic Directors of Place and Partnership & Performance, oversaw a programme of replacement surveys. This work has been carried out by UKAS and UKATA approved asbestos contractors within our Public Buildings. These surveys have provided the level of knowledge which is required for maintenance and refurbishment purposes as well as day to day running of the building.
- 5.2. In addition, the council engaged with the globally renowned asbestos expert Professor Roger Willy on a consultancy basis for specialist, impartial advice and to carry out training.
- 5.3. The Council now has an asbestos management plan which was devised following the collation of the survey reports, and has been set up to manage and monitor known asbestos within Public Buildings. Moving forward, regular building inspections will be carried out to manage known asbestos within the portfolio.
- 5.4. **Gas Compliance** – From May 2018, a programme was devised to carry out Gas Safety Checks and statutory inspections to all our corporate asset buildings and the council now has full certification. These buildings, like the housing stock, will be assessed and revised at 12 monthly. The service have used this more robust information to carry out a number of boiler and heating upgrades or repairs, and a separate contract is now being procured for boiler replacement to secure better value. The profile of the boilers in many school and corporate buildings are aged and impacting on revenue costs through maintenance. Two of the three boilers at Kilncraigs were upgraded in December 2018 and April 2019.
- 5.5. **Electrical Compliance** – In November 2018 the council awarded a term contract for Safe Electrical Testing and Upgrades for the public building portfolio. This incorporates portable appliance testing (PAT), statutory inspection of emergency lighting, fixed wire testing, and repairs. There has been good progress with this contract to date with remedial works and a fixed wire testing programme established and started. We have now appointed a dedicated Electrical Project Coordinator who is leading on this programme, with a remit to maximise use of our own trade's resource where possible.

- 5.6. Electrical Safety was subject to an Internal Audit report in January 2019. There were known specific weaknesses in the regime previously, with some work back-programmed. The audit team were satisfied with the plan of action going forward with the contracts and dedicated specialised resource leading on this programme. There are no breaches of statutory items and work has been prioritised to address the highest risks in terms of building users, particularly those identified by the Fire Service.
- 5.7. **Water Management** – The management of the water system covers many facets from the distribution of the incoming mains water for drinking and food preparation, to the storage and provision of hot water for bathing and sanitation, and the control of Legionella bacteria in water systems.
- 5.8. A term contract has been procured with water management experts, to provide Legionella risk assessments for our Corporate Buildings to cover this requirement.
- 5.9. **Flood Prevention & Pump Maintenance** – The Council has a contract with specialist pump maintenance and inspection contractor Weir Pumps to perform the monitoring and monthly maintenance at the pumping stations across the county. These are located at Elistoun Drive Tillicoultry, Dumyat Menstrie, Redwell Primary School and Longcarse. In addition to the above, we have carried out a number of flood prevention upgrades at Menstrie House in an attempt to prevent a repeat of the 2012 flood. Having taken advice from the Scottish Flood Forum, we have installed a number of door flood guards which can be deployed in the event that they are needed.
- 5.10. By appointing Weir Pumps Ltd we are sustaining a local supplier based in Alloa and the response times via this contract are understandably much better, with a significant cost saving of around 35% in terms of what we the council were previously paying. This contract is creating and sustaining local jobs with a local supplier.
- 5.11. **Fire Risk Assessment Remedial Works**- Trades resource at Kelliebank undertook catch up “fire risk assessment recommendations remedial actions”, with works completed by April 2019. Some £70,000 of revenue repairs costs can be attributed to this programme undertaking 435 outstanding remedial jobs.
- 5.12. **Fire and Security** – A considerable amount of work has been carried out across a number of our Public Buildings in relation to fire, security and CCTV, providing system upgrades, renewal and repairs to ensure compliance. Completely new fire alarm systems were installed at Strathdevon, Coalsnaughton and Fishcross Primary Schools as well as a full system renewal within the Land Services workshop at Kelliebank. Remediation works were required to ensure the operation of the sprinkler system at Kilncraigs. The service and inspection of over 1200 fire extinguishers was carried out between July and August 2018, and this is now an annual programme with work progressing well this year. A replacement Fire Curtain was also organised within Kilncraigs with this being a long standing action point.
- 5.13. **Lifts Maintenance** – There was no maintenance regime in place for the lifts prior to 2018. We have however undertaken a number of repairs and services on lifts within the public buildings. The required legal inspections were carried

out in April 2019, and moving forward a contract will be put in place for ongoing service, maintenance and repair.

5.14. **Kelliebank Upgrade** – Following consultation with staff and unions, urgent Health and Safety Work was required at Kelliebank Depot and Fleet Workshops to ensure the safety of staff and visitors. This included the following-

- Re-surfacing and lining out of the front staff and visitors car park.
- The resurfacing and lining out of specific areas of car park to the rear of the depot to remove tripping hazards.
- Heating Replacement within the Fleet Workshops.
- Additional CCTV and Security Cameras.
- The provision of a dedicated safe walk way enabling the safe transit of staff and visitors around the depot.
- The introduction of a video surveillance system outside the fleet workshops provides considerable improvements in the safe access and egress of vehicles from the workshops. This is complimented with a verbal 'audible warning' across a public address system to inform pedestrians of potential hazard.
- A replacement roof and wall cladding at the Land services workshop to address a water ingress problem.
- New LED high level floodlighting has been installed providing a well lit and safer environment for staff during periods of darkness.
- Additional Lockers for Maintenance Operatives.

This programme of work has been successfully completed on time and on budget. However, as reported to the Capital Operating Group, significant risks remain at Kelliebank due to the layout of the yard and in particular there is a "choke point" in terms of access and egress from the operational yard.

5.15. **High Level Inspections and Repairs** – As a result of carrying out a series of high level building inspections at Kilncraigs, Speirs Centre and Alloa Town Hall it was identified that considerable remediation works to the masonry was required. Some of these were essential & urgent such as lightning conductors, and fall arrest systems were instructed, completed and successfully carried out. The remaining works will be completed over the coming months as these are weather dependant. This is good pro-active work, monitoring and assessing high risk older Public Buildings and tackling problems before they materialise.

5.16. **Speirs Centre Alloa-** A central heating upgrade was carried out to a known cold spot within the Library area. This had been a long standing issue within the service that impacted on both customers and staff working within the building. This was completed in the autumn of 2018 before the onset of winter. Furthermore the defective windows to the front of the Speirs were

replaced by the contractor Marshalls at zero cost through a latent defect through the previous upgrade contract. This had been a long standing issue of concern following the incorrect window frontage being fitted during the contract carried out in 2012 to refurb the building.

- 5.17. **Gymnasium Equipment** – The gymnasium equipment used in the schools has been inspected and a new contract for this school year is being worked on to ensure the continued inspection and repair.
- 5.18. **LOLER Inspections** – Servicing and inspections of the lifting equipment used within the care homes, resource centre, primary schools and nurseries have been carried out and those equipment's presented for inspection are fully compliant. A new term contract covering a four year period is currently being developed to cover this requirement.
- 5.19. **Emergency Evacuation Equipment** – Over the past twelve months we have completed the necessary service and inspections of the emergency evacuation chairs and equipment throughout the public buildings and schools
- 5.20. **Local Exhaust Ventilation** – Over the past twelve months we have undertaken a robust program of cleaning and inspection of kitchen extraction units to ensure the safe operation within these environments. In addition the localised dust and fume extraction within the fleet and joinery workshops in depots and schools have also been serviced and inspected.
- 5.21. **Murray Square Clock Tillicoultry** – An inspection was carried out at the Murray Square Clock, which was found in an unstable condition and in risk of collapse. This had been a longstanding outstanding action that had been reported previously. Further inspections were arranged with Structural engineers and a scope of works for repair was developed, which was successfully undertaken and managed through to a successful conclusion in September 2018.

## **6.0 Finance Update 2018/19**

- 6.1. Despite some significant “catch up” works being undertaken, there has been a slight reduction in terms of spend to external private contractors following the ending of the previous FM contract. Spend comparisons are as follows:
  - 2017-18 - £722,721 spend on Private Contractors.
  - 2018-19 - £720,737 spend on Private Contractors.
- 6.2. Contracts being stringently scoped out and managed through a specific agreed set of rates have delivered a slight saving.
- 6.3. Overall Repairs and Maintenance spend has reduced over the past financial year (2018/19) despite significant “catch-up” works being undertaken. The comparison from the previous year is as follows:
  - Year 2017-18 – Total Spend on Maintenance and Compliance Matters for Public Buildings - £1,149,316.
  - Year 2018-19 – Total Spend - £1,055,847.

- 6.4. As stated earlier there are still significant areas to be caught up on such as Electrical Testing and upgrade, however like the others this will be managed with an agreed set of rates at the outset with costs monitored and “lessons learned” reviewed from previous contracts. This can be seen as a positive in terms of the slight saving on the previous year, particularly given the context of the “catch-up” works.
- 6.5. We are utilising trades resources at Kelliebank where possible and looking to train and expand on this to minimise the dependency on external suppliers. We have highlighted this in our liaison meetings with the Trade Unions. In general the Procurement catch up works have been a key item undertaken within the last 12 months and the council are in a much stronger position moving forward with separate compliance contracts being managed more stringently.

## **7.0 Resource Implications – Staffing**

- 7.1. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.
- 7.2. Finance has been consulted and has agreed the financial implications as set out in the report. Yes
- 7.3. The Project Coordinator took up post on the 16<sup>th</sup> of April 2018 and has settled well in the council. The postholder has brought a wealth of experience within Facilities Management to the council, and has brought a structure to his team who are now being very well led. The postholder is being assisted by Maintenance Officers who were previously on TVR. Training needs have been assessed and implemented particularly with high risk items such as water management and asbestos management.
- 7.4. The other Project Coordinator is a Qualified Contract QS and commenced employment with the council on the 6<sup>th</sup> of November 2017. This role is half funded through the HRA and the postholder is leading on the Procurement of essential contracts both for General Fund activity and HRA.
- 7.5. The Post of Electrical Project Coordinator was filled in March 2019, with internal promotion being successfully recruited. This role was previously titled “Project Coordinator” however given the scope of Electrical “catch up” works required, this role now requires a specific skillset with an expertise in Electrical Compliance and Mechanical and Electrical.
- 7.6. Crucially the people employed have the skills and expertise in Building Maintenance and Compliance and Quantity Surveying to strengthen the council moving forward. There has also been development of existing staff through improved management and skills development, evidenced by the training undertaken.
- 7.7. We continue to strive to develop the trade’s skill bases here at Kelliebank where possible to utilise existing trade’s resources.

## 8.0 Conclusions

- 8.1. Good progress has been made with key staff being recruited and appointed, leading on Public Building Maintenance and Compliance.
- 8.2. Key procurements still have to be undertaken, however greater value is being achieved through breaking down the requirement previously undertaken by the FM contract into separate more manageable contracts led by Project Coordinators, focussing on Time /Cost and Quality with a customer focus.
- 8.3. Work requirements are being assessed with a view maximising the trades resource at Kelliebank where possible. Recruitment of vacant trades posts were approved by the SLG in July 2019.
- 8.4. Procurement of key contracts continues to be a challenge as this is being carried out within the service along with other duties.
- 8.5. "Catch up" work continues on the Asset Portfolio, with a renewed focus now on Capital Planning and resourcing. The service is hopeful that this renewed focus will allow more information to be made available to members when determining whether to retain or dispose of buildings.

## 9.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

### (1) **Our Priorities** (Please click on the check box )

Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all

Our families, children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

### (2) **Council Policies** (Please detail)

## 10.0 Equalities Impact

- 10.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes  No

## 11.0 Legality

- 11.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes



## 12.0 Appendices

12.1. Please list any appendices attached to this report. If there are no appendices, please state "none".

None

## 13.0 Background Papers

13.1. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered).

Yes

No

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