

CABINET

30 May 2007

PROPOSED NON-HOUSING PROPERTY CONDITION SURVEY

REPORT OF HEAD OF CONTRACTS & PROPERTY SERVICES

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RECENT REFERENCES:

CAB 1371 - 2006 Asset Management Plan – 13 December 2006

EXECUTIVE SUMMARY:

Cabinet approved both the draft Asset Management Plan 2006 and supported the principle of a one off revenue growth bid of £40,000 at it's meeting in December, to meet part of the total estimated cost of £70,000 for defined property condition surveys (CAB 1371 and minute 635 refers). This was included in the approved 2007/08 budget. The purpose of this report is to inform Cabinet of the proposed condition survey process and obtain Cabinet Approval for the appointment of a Consultancy/Officer Project Team to undertake the surveys.

The requirement and need for detailed property condition surveys was set out in the 2006 Asset Management Plan (CAB 1371, Section 8 refers) and included for a number of detailed surveys to be carried out on Council owned major operational buildings including the Guildhall and West Wing, Abbey House, Abbey Mill, River Park and Meadowside Leisure Centres, and Chesil Street Multi Storey and Brooks Car Parks.

Similar condition surveys of further properties will be identified by the Chief Estates Officer in due course eg Bar End Depot. Costs associated will be included in the 2008/09 budget process.

The reported output of these surveys will inform the asset management plan on the extent of repairing liabilities that currently fall to the Council in the short, medium and long term (10 years), and will link the maintenance and refurbishment/replacement requirements of the built estate with appropriate revenue and capital budgets and programmes.

RECOMMENDATIONS:

- 1 That the proposed Condition Survey and associated Consultancy Procurement process be approved.
- 2 That a direction be made under Contract Procedure Rule 3.3(a) to allow the appointment of those consultants as defined in Exempt Appendix A and at Fee Costs shown in Exempt Appendix B.

CABINET30 May 2007NON-HOUSING PROPERTY CONDITION SURVEYREPORT OF HEAD OF CONTRACTS & PROPERTY SERVICESDETAIL:1.0 Introduction

1.1 As previously reported the Council's Asset Management Plan (AMP) is an important corporate document bringing together the Council's approach to the management of one of its most significant assets. The plan includes all of the property held in the General Fund and the non-operational property held in the Housing Revenue Account.

1.2 A draft AMP was adopted by Cabinet at its meeting on 13<sup>th</sup> December 2006, (CAB 1371 and minute 635 refers). A one-off revenue growth bid of £40,000 was also approved as part of the 2007/08 budget process, to provide total funding of £70,000 to meet the estimated cost of the condition surveys.

1.1.1 As reported within the AMP (Section 2 Property Repair Programme refers) condition surveys of defined properties are required to better inform the AMP of future repairing costs at the following sites: -

1. River Park Leisure Centre, Winchester
2. Meadowside Leisure Centre, Whitely
3. Chesil Street Multi Storey Car Park, Winchester
4. The Brooks Underground Car Park, Winchester
5. The Guildhall, Winchester
6. Abbey House, Winchester
7. Abbey Mill, Winchester

2.0 Proposed Condition Surveys2.1 Background

2.1.1 Unlike the Housing Stock, where two property condition surveys were carried out in 1988 and 2003, condition surveys per se have never been undertaken as proposed to inform the Council's Asset Management Plan for non-housing property.

2.1.2 Surveys carried out to date have tended to be responsive and concentrate on specific issues e.g. to an emerging defect, where elements of the building have no longer been deemed fit for purpose, where legislation has required them, (such as asbestos surveys), or where Officers have required information for a specific reason such as project planning for major refurbishment work.

2.1.3 Condition Surveys provide a systematic uniform and objective basis for obtaining information on the state of the premises. The surveys will identify the work necessary to bring buildings and structures up to a good state or repair and to comply with current legislation. Once in a good (or at least maintainable) state, routine (cyclic) maintenance can be carried out under a pre-planned programme. This approach will also keep any day to day (responsive) maintenance to a minimum and deal only with restoring building elements or components to an acceptable level.

## 2.2 Scope and Extent of Survey

- 2.2.1 Elements on which the survey will primarily report are (i) the condition of the building or structure and (ii) the electrical and mechanical services that serve the building or structure. The surveys will be non-invasive and not incorporate any specialist tests and/or inspections as routine. However the need for any further surveys or tests will be identified if deemed necessary. Typical examples would be pressure testing of pipework, drainage surveys or structural assessment type which would involve the opening up of the building fabric.
- 2.2.2 The survey will not ordinarily report on furniture, fixtures and fittings that are considered not to be part of the building structure or fabric.
- 2.2.3 The survey will report principally on elements towards which costs are likely to be incurred in the next five years. Regard will also be made to significant items of repair or replacement within the next 5 – 10 years and where appropriate beyond.
- 2.2.4 All survey assessments will make reference to a pre-determined classification system to demonstrate that similar judgements are being made about condition and priority.

## 2.3 Survey Methodology

### 2.3.1 Existing Condition Grading

- 2.3.2 The condition of the building and electrical and mechanical service elements will be assessed using a four grade assessment system A – D: -

Grade A	Good. Performing as intended and/or operating efficiently.
Grade B	Satisfactory. Performance as intended but exhibiting minor deterioration.
Grade C	Poor. Exhibiting major defects and/or not operating as intended.
Grade D	Bad. Life expired and/or serious risk of imminent failure.

### 2.4 Priority Grading

- 2.4.1 Once the elemental condition of the buildings and services have been assessed, a priority grading will be applied according to the seriousness of the condition revealed and any urgency associated with and breaches of legislation. This will have particular regard to the possible consequences of deferment.

- 2.4.2 The following priority grades are in the context of a ten year planning period: -

Priority 1	Urgent works that will present immediate closure of premises and/or address an immediate high risk to the health & safety of occupants and/or remedy a serious breach of legislation.
Priority 2	Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health & safety of occupants and/or remedy a less serious breach of legislation.
Priority 3	Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

Priority 4 Long term work required beyond five year planning period that will prevent deterioration of the fabric or services and/or restore building elements or services.

2.4.3 A building element graded Condition D will not always warrant Priority 1 grading. There may be instances where an element is in poor condition, but for which maintenance work is not a high priority, and vice-versa.

## 2.5 Cost to Repair or Renew

2.5.1 An estimate will be made at the time of assessment of the cost of repairing or renewing a defective building or services element. The costs will indicate for bringing the element up to Grade A condition. Costs will include the cost of works, including preliminaries and contingencies, and the cost as appropriate of professional fees connected with such work. The estimates will not include for upgrading specifications to current standards, except where the existing specification is no longer available or would breach legislation.

2.5.2 The costs associated with routine (cyclic) maintenance e.g. servicing, cleaning etc. and day-to-day (responsive) maintenance e.g. replacement of broken glass, tap washers, easing and adjusting etc. will not be included as part of the survey per se, but will be added and reported separately in the Final Survey Reports.

## 2.6 Recording of Survey Data

2.6.1 Survey data will be recorded on "excel" work and spreadsheets, enabling the survey information to be utilised for technical and presentational purposes and as part of the Council's AMP.

## 3.0 Survey Procurement

3.1 The Council does not have the staff resources in number and or diversity of expertise to carry out the proposed survey and report in-house. Because of the nature, magnitude, operational and/or historical importance of the property portfolio subject to survey, careful consideration has been given by Officers to the qualifications, experience, knowledge and reputation required by others to successfully undertake the eight site surveys required.

3.2 Further, and in considering the suitability of consultants who meet the various criteria described in para. 3.1, the issue of which consultants who would bring added value to the survey by their previous working and detailed knowledge of the buildings, has also been taken into account.

3.3 It is therefore proposed to appoint two Lead Consultants who will both conduct survey works and co-ordinate the programming of activities being undertaken by other consultants and be responsible for the production of the draft survey report.

3.4 Officers have informally approached and met with two potential suitable Lead and other specialist Consultants who together have the expertise and in some cases detailed working knowledge of the buildings that are subject to survey.

3.5 Details of the proposed consultants are given in Exempt Appendix A of this report, together with a Fee Cost Schedule in exempt Appendix B. The fees quoted are based on Standard Terms of Agreement for the professional disciplines concerned, and also reflect their detailed knowledge (where appropriate) of the building in question. Therefore the fees are considered by Officers to represent good value to the Council.

- 3.6 Some fees are provisional as indicated in Appendix B and are cost estimates given in good faith. Variances may therefore occur and if necessary will be covered by the Contingency Sum included in the fee schedule.
- 3.7 Having spent a considerable amount of time to date working in partnership with the proposed consultants on both previous works projects and agreeing the survey brief, Officers consider that It would not be an effective use of Council's resources to go through similar exercises with the other consultants. It is also unlikely that a more advantageous offer could be obtained taking into account all aforementioned issues regarding suitability and expertise, and resource pressures within the consultancy market.
- 3.8 Financial Procedure Rules state that three quotations should be received in respect of consultancy services over £10,000 in value, of which the lowest would normally be chosen. For the reasons stated within this report (of experience, qualifications, reputation, specialist knowledge and good value), Cabinet's approval is therefore sought for agreement to waive the requirement on this occasion to allow the appointment of the consultants detailed in Appendix A and in accordance with the Fee Schedule detailed in Appendix B.
- 4.0 Programme
- 4.1 Initial feedback from the Consultants has indicated that site survey work will take approximately 8 weeks to complete (subject to access availability to the buildings and actual commencement date). A similar period will be required to complete office computation work and produce draft survey reports.
- 4.2 It is therefore envisaged that if survey work commences in mid June draft survey reports would be produced by mid October 2007.
- 5.0 Next Steps
- 5.1 Following the decision of Cabinet in relation to this report a detailed project plan and programme will be agreed with the Consultants concerned and the Operational Managers of the buildings/sites affected.

#### OTHER CONSIDERATIONS:

##### 6.0 CORPORATE STRATEGY (RELEVANCE TO):

- 6.1 The efficient and effective management of the Council's property is an important and key element in the delivery of all Council services.

##### 7.0 RESOURCE IMPLICATIONS:

- 7.1 £70,000 is budgeted for the cost of surveys in 2007/08 revenue budgets.

##### 8.0 BACKGROUND DOCUMENTS:

- 8.1 Council's Asset Management Plan Draft 2006.

9.0 APPENDICES:

Exempt Appendix A Proposed Lead and Associated Consultants to undertake Property Condition Surveys.

Exempt Appendix B Proposed Property Condition Survey Fees and Associated Cost Schedule.