

Report title	Operational Properties Condition Surveys
Report author	Alex Williams
Department	Assets and Regeneration
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable.

Purpose of report:
To resolve

Synopsis of report:
This report provides further detail on the delivery method and costs associated with the 2023/24 submitted business case to undertake mechanical and electrical condition surveys across the operational estate and to allow release of the provision set aside in the 2023/2024 budget.

Recommendation(s):

- i) Committee approve the business case for Operational Properties Condition Surveys**
- ii) Committee approve the release of £60,000 provision set aside in the General Fund Revenue Budget and Business Plan for this purpose**

1. Context and background of report

1.1 In July 2022 CMC approved the procurement via the Workplace and Facilities framework agreement established and administered by Fusion 21 for a complete facilities management service for both the commercial and operational assets held by the Council.

1.2 The procurement exercise is complete and contract award letter has been issued and external lawyers are working with the asset and regeneration team to put in place the contract documentation and commence mobilisation of the contract which will commence on 1st April 2024. The contract has been procured within budget and by putting in situ a fully comprehensive facilities management contract dealing with both hard and soft facilities management aspects in respect of both our operational and investment estate enabling us to deliver a value for money contract meeting the Council’s financial obligations but also ensuring the prudent management of its property assets.

1.3 As part of the 2022/2023 budget process a growth bid was approved subject to a completed business case see **Appendix A** to carry out condition surveys for mechanical and electrical elements for the whole of the operational asset base. The cost allocated for the mechanical and electrical condition surveys is £60,000 and following the procurement of the contract this cost has come within budget. Costs currently provided evidence that these surveys could be bought in below budget but until they are completed and the data provided it is not possible to confirm this. Any underspend will be allocated back to the general fund. To enable us to deliver a compliant fit for purpose operational estate which can deliver the key services that we provide to our residence, it is essential we understand what condition these assets are in. This report seeks committee approval to release those monies to facilitate this key work.

2. The Operational Estate

2.1 The operational estate of the Council is shown below:

Site	Site
Addlestone Cemetery	Hythe Centre
Addlestone Moor Playing Fields	Literary Institute
Barrsbrook Allotment	Manor Farm Day Centre
Chertsey Cemetery	Orchard and Abbeyfields
Chertsey Depot	Orchard Day Centre
Chertsey Hall	Ottershaw Memorial Fields
Chertsey Museum	Runnymede Pleasure Grounds
Chertsey Museum Store	St Ann's Allotment
Chertsey Recreation Ground	St Annes Hill
Civic Centre	Stroude Road Allotment
Coopers Hill Public Conveniences	Thorpe Cemetery
Eileen Tozer Day Centre	Thorpe Village Hall
Englefield Green Cemetery	Victory Park Recreation Ground
Englefield Green Pavilion	Virginia Lodge Day Centre
Gogmore Farm	Virginia Water War Memorial
Heathervale Recreation Ground	Woodham Lodge Day Centre
Homewood Park	

2.2 As part of the specification of the comprehensive facilities management contract we asked for the mechanical and electrical condition surveys to form part of the mobilisation work for the contract. Aspects such as replacement of plant, lighting, BMS (building management systems) will be covered in the surveys. The work will be managed by the main contractor and for each asset we will have a full list of the plant and equipment of each site, what condition it is, what works need doing immediate works, short term works e.g. within the next two years and long term works namely those that are required over a five year period. It will also split revenue and capital costs, enabling financial planning and enabling us to consider budget aspects. Where possible it will investigate if there are any sustainable measures that can be inputted to deliver our carbon net zero target and advise what the cost is and the payback period.

- 2.3 The condition survey work will be carried out during the first three months and as highlighted above as part of mobilisation. We have secured all property intelligence rights to ensure that the information belongs to Runnymede Borough Council. The surveys with the costs once analyzed and understood will then be brought back to this Committee and discussions on how we will fund the works if they exceed the existing budget provision can be further discussed.

3. Policy framework implications

- 3.1 As outlined in the Assets and Regenerations Strategy our operational assets should be maintained to a good standard and be fit for purpose for their use, by carrying out these condition surveys and releasing monies will ensure that we are following this principle.

4 Resource implications/Value for Money

- 4.1 The 2023/2024 budget approved by full council in February 2023 included a provision for £60,000 for mechanical and electrical surveys to be carried out on the operational estate. This money was subject to a future committee including the submission of a full business case for member approval. The business case as set out in **Appendix A** outlines the position.
- 4.2 If members are content with the detail presented in the report and business case and the costs presented are within the amount provided for in the growth provision, the Committee can provide their approval to proceed for the budget provision to be released.
- 4.3 As the budgetary provision has already been agreed by full Council through the budgetary process, the release of this money does not require further referral.

5. Legal implications

- 5.1 The Council is the owner of various buildings located at the sites set out in the body of the report which are occupied or used by a number of organisations. As the owner of the buildings the Council is responsible for maintaining the fabric of buildings. A failure to maintain the fabric of a building can result in financial and health and safety consequences. Undertaking the proposed surveys enables the Council to meet its various legal obligations.

6. Equality implications

- 6.1 The condition surveys will be undertaken during working hours and appointments made in advance to ensure that there is no disruption to the services that sit within the operational estate.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 The condition surveys will where possible, endeavour to incorporate all feasible sustainability enhancements. However other key considerations such as costs and payback periods will also need to be weighed up in respect of any recommendations that are made. Details of carbon emission reductions as well as any other environmental enhancements will be captured and brought back to Committee for consideration and at the same time will be discussed with the Climate Change Team along with Climate Change Update Reports/Annual Carbon Emissions Reports.

8. Risk Implications

- 8.1 If we do not release the budget provision to undertake the condition surveys it will be hard for us to financial budget for what monies need to be spent on the operational estate over the next five years to ensure that the operational estate remains compliant and fit for purpose for the services they deliver from that asset base. On 19th December 2023 we are service with a Best Value Notice and it is important that we fully understand our financial landscape on our asset base

9. Other implications

- 9.1 The condition surveys form part of the Asset Strategy that was approved by Council in February 2023. They also are part of the asset and regeneration business centre plan. The contract for the facilities management contract has gone through a compliant procurement process through the Workplace and Facilities framework agreement established and administered by Fusion 21 for a complete facilities management service.

10. Timetable for Implementation

- 10.1 The contract documents should be signed within the next month and mobilization will commence straight away. The condition surveys will be undertaken during this time, but it will take officers time to analyse and bring back to committee the full planned preventative maintenance cost for the 5 years on the operational estate. It will also look at capital cost and ascertain how best replacement plant/equipment etc can be funded over the coming years.

11. Conclusions

- 11.1 To release the monies as set out in **Appendix A** for the amount of £60,000 to undertake mechanical and electrical surveys for the operational estate.

12. Background papers

Held in Assets and Regeneration

13. Appendices

- Appendix A growth bid