

Resources in the Estates and Economic Development Service

Report of the Finance Portfolio Holder

Recommended:

1. That the posts set out at paragraphs 6.1.4 and 6.1.5 be added to the Estates and Economic Development establishment at a total cost of £164,150 p.a.
2. That the sum of up to £89,865 p.a. be vired from the Investment Property Income budget to finance the cost of the permanent posts as set out in paragraph 8.2.
3. That the sum of up to £138,950 be drawn from the Capacity Building Reserve to finance the cost of the temporary posts as set out in paragraph 8.5.

Recommendation to Council

SUMMARY:

- This report sets out the implications for resourcing of the Estates and Economic Development Service in response to the increasing statutory responsibilities in respect of management of Council land and buildings.
- The report recommends that a mix of permanent and temporary additional posts are added to the establishment for the Service in order that the Council is adequately resourced to comply with these responsibilities.

1 Introduction

1.1 This report seeks to increase the level of staffing resources in the Estates and Economic Development Service. This is as a consequence of the following factors:

- Increase in the number of properties that the Council is responsible for managing and maintaining.
- Increasingly complex methods of construction of buildings and the mechanical and electrical services that are installed into them.
- Ever more demanding responsibilities arising from the requirements of statutory compliance frameworks relating to these buildings.
- The need to deal with evolving and new legislation which is constantly being reviewed and introduced by both government and professional bodies which parties need to adhere to.

2 Background

- 2.1 The Council has a long history of owning and managing operational and investment property and the Estates Service is responsible for the management and maintenance of these properties.
- 2.2 There is also a small building maintenance team that undertakes some works with other works being outsourced to contractors depending on skills and capacity.
- 2.3 Over recent years the Council has seen an increase in the number of properties for which it undertakes this management function. Some of this increase is attributable to the Council's Project Enterprise programme, some is attributable to the Council gaining new community facilities (such as community centres, sports pavilions and changing rooms) arising from very successful negotiations for additional facilities (funded by Developers) as part of new developments.
- 2.4 In addition to a growing property portfolio, advances in building technology affecting both the structure and fabric of buildings and the mechanical and electrical installations within buildings has made the management, maintenance and alteration of buildings much more complex. This increases the level of technical knowledge and the resource that is required beyond what was necessary in the past.
- 2.5 Health & Safety and statutory compliance requirements have also become more demanding in recent years. Statutory compliance refers to regular routine procedures and testing required by regulations to ensure that building elements are in a safe state. One example is the provision of a Fire Risk Assessment and routine/regular testing to ensure the construction, management and use of a building provide satisfactory fire prevention and detections systems and means of escape. Another example is the need for a Legionella Risk Assessment and routine testing to ensure the construction, management and use of a building provide satisfactory protection against potentially fatal legionella.
- 2.6 The growth in compliance requirements results from the increasing complexity of buildings and a significant increase in related legislation, guidelines and best practice in the aftermath of the Grenfell Tower fire.
- 2.7 The impact of all these factors means that the Estates Service needs to increase its level of resource to be able to keep pace with these requirements. The need to invest increased levels of resource in statutory compliance and Health & Safety management has affected all organisations and businesses involved in the property and construction industry.
- 2.8 Interim arrangements have been put in place to temporarily manage these demands whilst the request in this report for additional resources is being considered. These include the recent employment of a Building Services Engineer and a Contracts Manager on an interim agency basis and the use of a Health & Safety consultant on a weekly or fortnightly basis.

- 2.9 Previously work of this nature was covered by different members of the Estates & Economic Development team but as this workload has increased it has eroded the ability of these staff to focus on their primary work areas to the point where this is no longer sustainable. The provision of additional resource within the Service will enable these staff to re-focus on their core work areas to maintain satisfactory service delivery across the board.
- 2.10 The Estates and Economic Development Service is now in a position to understand the exact nature of the additional resources required both to address the current statutory requirements on a day to day basis and to address a backlog of work that has accrued.
- 2.11 This report therefore recommends a mix of permanent and temporary posts.

3 Corporate Objectives and Priorities

- 3.1 The Council's property assets form an important part of the Council's investment portfolio and the management and maintenance of these properties is an important factor in maximising the return derived from these properties.
- 3.2 The Council has been very successful in sharing its operational properties with other partners, deriving a rental income and sharing building overheads with them. Again the management and maintenance of these buildings is important to ensure that they remain an attractive proposition to partner organisations wishing to co-locate with the Council.

4 Consultations/Communications

- 4.1 The Council management team have been consulted along with the relevant Portfolio holders.

5 Options

- 5.1 Because of the statutory nature of some of the issues contained in this report, the option of doing nothing and maintaining the existing staffing levels without any additional support (external or internal) is not considered to be a viable option and for this reason is not suggested here. Further details of maintaining the existing staffing levels are available in the risk management section of this report below.

5.2 Option 1 – Increase the staffing levels in the Estates and Economic Development Service

5.3 Option 2 – Continue to meet these requirements via external consultants/contractors and temporary support

6 Option Appraisal

6.1 Option 1 – Increase the staffing levels in the Estates and Economic Development Service

- 6.1.1 This option involves recruiting staff to new permanent roles, where currently the Estates Service has no in-house technical knowledge or experience. These new roles would complement, not replace, existing posts and enable existing posts to re-focus on their own areas of competence.
- 6.1.2 The increase in staffing recommended in this report would provide the skills, knowledge and expertise to identify, define, commission and monitor the work to be undertaken, not to undertake the work itself. For example any work required to design replacement heating installations would still need to be undertaken by a specialist consultant or contractor.
- 6.1.3 Due to the volume of work facing the Estates Service and the specialist nature of different tasks, it will always be necessary to employ external consultants and contractors for construction/engineering projects and term maintenance work. Such appointments will only be effective if the Council has in-house staff with relevant technical knowledge and experience to identify the need for, appoint, specify and manage these consultants and contractors.
- 6.1.4 The additional **permanent** roles recommended to be added to the Estates and Economic Development Service establishment are as follows:

(a) **BUILDING SERVICES ENGINEER** (Grade 10) (1FTE)

This postholder will be responsible for:

- Managing 'Building Services' within the Council's buildings and on Council land, including the specification, procurement and maintenance of HVAC (Heating, Ventilation and Air Conditioning) systems, electrical, gas and water installations, and fire and intrusion alarms.
- Undertaking a rolling programme of planned preventative maintenance reports for building services installations at all of the Council's properties and prioritising necessary maintenance work.
- Compiling a detailed inventory of all M&E (Mechanical and Electrical) plant and installations through inspection of all the Council's properties and arranging routine cyclical inspections of buildings services installations to ensure all M&E installations are compliant with regulations and compliance certification is kept up to date.
- Project managing the procurement of M&E plant and systems from inception, through feasibility, design, tender documentation, contract administration, financial management to final account and signing off defects.
- Providing professional and technical advice on all matters relating to the design and maintenance of the Council's building services installations, including emergency repairs and energy efficiency schemes.

(b) **HEALTH & SAFETY Officer (MAINTENANCE AND CONSTRUCTION)**
(Grade 8) (1 FTE)

This postholder will be responsible for:

- Developing, co-ordinating and implementing Construction Health and Safety strategies, policies and guidance in line with current best practice and legislation.
- Assisting Estates & Economic Development staff with risk assessments, method statements, site monitoring and inspection records relating to maintenance and construction projects carried out by in-house staff and external contractors.
- Undertaking site inspections and safety audits. Monitoring work undertaken by Council staff and external contractors to ensure all work is undertaken safely, including the completion of accident report forms and RIDDOR reporting, as necessary.
- Inspecting buildings and sites for which the Council is responsible on a quarterly basis to ensure health and safety risks are properly managed.
- Assisting managers in the Service with the provision of appropriate staff training and informing managers and staff of changes to relevant health and safety guidance and legislation. Delivering in-house training on Health & Safety issues including regular Toolbox talks for the Building Maintenance Team.
- Undertaking specialist inspections, providing certification in accordance with relevant training (e.g. scaffold inspections, harness inspections) and undertaking accident investigations.

6.1.5 The additional **temporary** roles recommended to be added to the Estates and Economic Development Service establishment are as follows:

(a) **TEMPORARY CONTRACTS MANAGER** (Grade 8) (1FTE) (22 months)

This postholder will be responsible for:

- Packaging minor construction and building maintenance works to be undertaken by a single contractor. Tendering the work in accordance with Council's Contract Standing Orders, awarding the contract and monitoring through to completion in accordance with the specification, on time and within budget.

- Managing larger individual construction/building maintenance contracts up to a value of £100,000, from preparation of the specification through to completion, in conjunction with the Council's Procurement Officer. Working with other members of the Estates team on construction/building maintenance projects with a value over £100,000.
- Reviewing action points arising from compliance reports (fire risk assessments, legionella risk assessments, etc.) and obtaining specialist advice from external consultants as necessary to determine scope of works needed to achieve compliance.
- Ensuring that the Council complies with the requirements of the Construction (Design & Management) Regulations 2015 relating to construction/building maintenance procurement.
- Undertaking surveys of buildings for Health & Safety compliance and reporting of reactive maintenance requirements.

(b) **TEMPORARY ASSISTANT BUILDING SERVICES ENGINEER** (Grade 7) (1FTE) (22 months)

This postholder will be responsible for:

- Support in the Management of 'Building Services' within the Council's buildings and on Council land, including the specification, procurement and maintenance of HVAC (Heating, Ventilation and Air Conditioning) systems, electrical, gas and water installations, and fire and intrusion alarms.
- Support in the delivery of a rolling programme of planned preventative maintenance reports for building services installations at all of the Council's properties and prioritising necessary maintenance work.
- Working to assist in the compiling of a detailed inventory of all M&E (Mechanical and Electrical) plant and installations through inspection of all the Council's properties and arranging routine cyclical inspections of buildings services installations to ensure all M&E installations are compliant with regulations and compliance certification is kept up to date.
- Undertake the lower value project managing the procurement of M&E plant and systems from inception, through feasibility, design, tender documentation, contract administration, and financial management to final account and signing off defects.
- Seek and providing professional and technical advice on all matters relating to the design and maintenance of the Council's building services installations, including emergency repairs and energy efficiency.

6.1.6 The complexity of some of the issues that the post holders would be dealing with also means that continuity would be an advantage. Retention of staff in a market where demand for these particular skills is high will always be a challenge. However on balance, less turnover of staff is anticipated with staff directly employed by the Council compared to relying on agency staff/consultants. Therefore Option one is the recommended option.

6.2 **Option 2 – Continue to meet these requirements via external contractors and temporary support**

6.2.1 As a short term measure and to enable the Council to achieve compliance as soon as possible, the necessary technical knowledge and experience has been brought in on an interim basis using agency and consultancy staff.

6.2.2 The advantage of this option is the speed with which staff can be engaged.

6.2.3 However the costs of this option mean that it is cost prohibitive as a long term solution. The current cost of the temporary arrangements for one full time Building Services Manager and one full time Contracts Manager is equivalent to £143,808 per annum for two FTEs.

Contrast this with the equivalent cost of Option One above with a cost of £89,865 for the same two 2 FTE.

As this option does not provide value for money it is not recommended.

7 **Risk Management**

7.1 There are significant risks if statutory compliance and technical competence is not achieved. These are the risk of adverse publicity, the risk of litigation, poor operational or investment performance of the Council's property assets and unnecessarily high expenditure.

7.2 Adverse publicity will occur where breaches of regulations are published by the media or (for Health & Safety issues) by HSE who now adopt a policy of "naming and shaming". Poor standards of building maintenance (e.g. on community assets) will reflect badly on the Council's image and professionalism.

7.3 Litigation may result from failure of buildings or mechanical and electrical installations to function properly and such action may be instigated by third parties or by regulatory bodies. Sentencing guidelines for Health & Safety breaches now take account of the potential consequences of such failures, not just the actual harm that results. This may take the form of fines against the Council or custodial sentences for senior managers.

7.4 Poor operational or investment performance may result if the Council's properties are not correctly specified, delivered and maintained. This may compromise the delivery of the Council's services, or reduce net investment income.

- 7.5 Increased expenditure will result from properties that are poorly specified, where guarantees or warranties are not in place or invalidated or where the specification of construction or maintenance is inadequate. These increased costs will result from the need for more intensive maintenance, from the need to undertake premature renewal or replacement, from higher running costs or from the need to provide alternative temporary accommodation.
- 7.6 Additional permanent and temporary professional staff should look to mitigate the risk listed above.

8 Resource Implications

- 8.1 The report recommends a mix of permanent and temporary posts in order to address the resources needed in the long and short term.
- 8.2 The costs of the **permanent** posts recommended for adding to the Estates and Economic Development Service establishment is as follows:

Post Title	Grade	FTE	Cost p.a. (inc on cost) £
BUILDING SERVICES ENGINEER	10	1	50,690
HEALTH & SAFETY MANAGER (MAINTENANCE AND CONSTRUCTION)	8	1	39,175
Total			89,865

- 8.3 The cost of £89,865 p.a. can be met from existing resources by viring the necessary salary budget from the Investment Property Income budget.
- 8.4 The costs of the **temporary** posts for a 22 month period recommended for adding to the Estates and Economic Service establishment is as follows:

Post Title	Grade	FTE	Cost p.a. (inc on cost) £
TEMPORARY CONTRACTS MANAGER	8	1	39,175
ASSISTANT BUILDING SERVICES ENGINEER	7	1	35,110
Total			74,285

8.5 These costs can be financed by drawing £74,285 from the Capacity Building Reserve in 2019/20 and a further £64,665 in 2020/21 to cover the proposed 22 month contracts. The total recommended draw from reserves is therefore £138,950.

9 Legal Implications

9.1 There are no immediate legal implications if the legislation and regulations are adhered to and the necessary compliance work is undertaken. However if the Council does not undertake these necessary works to comply then the Council could be in breach of the relevant legislation and regulations which could bring about legal implication for the Council.

10 Equality Issues An EQIA screening has been completed with the Councils methodology and no potential for lawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

11 Conclusion and reasons for recommendation

It is recommended that these permanent and temporary posts be approved as set out in the recommendation above.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	Nil	File Ref:	N/A
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Report to:	Cabinet	Date:	7 November 2018