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| Agenda item | 17 |
| Report no | EDI 16/17 |

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure Committee

Date: 8 November 2017

Report Title: Property Management Policy

Report By: Director of Development and Infrastructure

1. Purpose/Executive Summary

- 1.1 This report sets out the introduction of Property Management policy to give clarity on arrangements for managing property as 'corporate assets'. The policy is included in the appendix to this report
- 1.2 The Property Management policy confirms '*Who does what*' and '*Who is responsible for property*' to give managerial accountability for all aspects from maintenance, energy and project management, through to design, quality control and property-related health and safety compliance.
- 1.3 The report aims to encompass existing property portfolio aspects (how individual properties are categorised by budget funding which are managed by service directorates) and to introduce new initiatives for governance and property change management to align / set the scene for the corporate property direction approved by Highland Council on 7 September 2017.
- 1.4 The policy has had widespread consultation and has been presented to the trade union H&S representative group and Executive Leadership Team.

2. Recommendations

- 2.1 Members are asked to approve the adoption of the Property Management Policy.

3. How does property work?

- 3.1 The Property Management Policy sets out Management Arrangements, Risk Control Systems and the means by which the Council will meet its obligations under property related regulations. This report contains a summary of the policy contents and intent. Distinction is made between Service Client and Property Ownership:
- 3.2 Service Client
 - 3.2.1 The 'occupying client' covers the day-to-day operational use and control of premises management and the 'corporate property client' role manages technical / property compliance aspects carried out by the Development and Infrastructure service.
 - 3.2.2 The introduction of a Property Change Authority is signalled via the role of the Property Board advised by a Governance Group to manage and review changes proposed for property.
 - 3.2.3 Change controls will be initiated utilising the property asset information system K2 with requests for 'Maintenance Start' (new acquisitions), 'Maintenance Stop' (Disposals), 'Maintenance Pause', and 'Maintenance Resume' (where construction works occur).
 - 3.2.4 The role of an Authorising Officer (delegated to Area Senior Maintenance Officers) for 'Plan in Place' to give permission for works to commence and 'File in Place' to confirm works have been suitably completed to allow re-occupation will devolve awareness and control of property changes to area level.
 - 3.2.5 Robust due diligence checks at completion and prior to occupation following any works will ensure compliance as part of an enhanced and expanded Clerk of Works provision.
- 3.3 Property Ownership
 - 3.3 The role of Corporate Property Officer: Delegations of Property Account Portfolio Holder(s) and their delegated managers with responsibilities for Responsible Premises Officers (RPOs) are detailed to show current arrangements. A review of the RPO function and associated delegated tasks will commence later in the year and involve consultation with stakeholders.

4. Scheme of Delegation

- 4.1 Responsible Persons are recorded for: Property and Asset Management, Energy and Sustainability, Construction (Design and Management) including Lead/Principal Designer and Designer, Principal Contractor, Contractor and Project Management.
- 4.2 Delegated Responsible Persons and Deputy Responsible Persons for compliance with property legislation are assigned to the Property Manager in conjunction with Principal Officers, Seniors, Property team and their servicing/inspection contract contractors.
- 4.3 Property and maintenance liaison with RPOs and Area Maintenance Officers are defined together with a description of their roles.
- 4.4 The Clerk of Works function is described with responsibilities for monitoring the quality of construction work.

4.5 Catering, Cleaning and Facilities management arrangements will be added as the policy is developed.

5. Recognising shared responsibilities / obligations

5.1 Categories of property from Council owned and maintained, together with those occupied by Council Staff and maintained by 3rd Party Owned, Council Leased / Occupied in part, are tabled to offer an insight into how various occupation arrangements can impact on responsibilities for property management.

5.2 Property budget headings are also tabled in the appendix to the policy to show those allocated to Development and Infrastructure, and delegated i.e. on behalf of client services who hold property-related budgets e.g. for equipment inspection only (and where repair authorisations reside with services).

6. Implications

6.1 Resource – Property and Facilities Management teams and procedures will be re-aligned as necessary to underpin the policy for management of property. The introduction of formal governance of change to property will result in a change to process which may impact on resources (time, additional attention to due diligence, actions to address quality control issues).

6.2 Legal – Arrangements for managerial accountability to comply with statutory property legislation and effective service delivery utilising property are established via a scheme of delegation in the policy referred to in this report. Any changes made to property arising out with the provisions set out in this policy may attract legal and personal liabilities.

6.3 Community (Equality, Poverty and Rural) - This report introduces clarity on the Council's arrangements for property management across the many strands of compliance and service delivery that ensure property is managed as a corporate resource.

6.4 Climate Change / Carbon Clever – Changes made to property can have implications for energy efficiency, reduction of carbon emissions and future fuel costs in addition to revenue. The arrangements set out in this report offer a management framework that considers such impact as part of a formal change management process.

6.5 Risk – This report aims to recognise lessons learned from recent property and project audits and adjustment of management arrangements for property will strengthen quality control and minimise risks associated with changes made to properties.

6.6 Gaelic - This report does not have any specific implications.

Designation: Property Manager

Date: 16 October 2017

Author: Stuart Duncan

Background Papers: Property Management Policy No 2

Policy 2 Property Management

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DOCUMENT STATUS

| Edition No. | Revision No. | Date | Status | Author | Approved (electronic) |
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| 1 | 0 | 2/9/2016 | Draft | Acting Property Manager | |
| 1 | 1 | 16/9/2016 | Draft | Acting Property Manager | |
| 1 | 2 | 5/3/2017 | Draft | Acting Property Manager | |
| 1 | 3 | 22/9/2017 | Final review | Property Manager | |
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PAGE AMENDMENTS

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THIS DOCUMENT IS CONTROLLED BY RISK MANAGEMENT TO WHOM ANY QUERIES OR REQUESTS FOR AMENDMENT SHOULD BE MADE





1.0 Introduction

Development and Infrastructure Service recognises its devolved responsibilities for property management covering properties in which the Council has responsibility (refer to categories listed in the **Appendix** to this policy). The under noted policy has been developed to meet these needs and to link to the corporate [General Statement of Health, Safety and Wellbeing](#).

2.0 Policy aims

Development and Infrastructure Service shall take all reasonably practicable steps in relation to the management of property to ensure the health and safety at work of Council employees and others who occupy or may be affected by Council undertakings delivered from property by the establishment and maintenance of a **Property Management System**.

The **Property Management System** will cover the assessment of risks and the effective Planning, Organisation, Control, Monitoring and Review of the preventative and protective measures necessary to control property-related risks and ensure compliance and the provision and maintenance of:

- building service installations, plant and associated equipment plant that are, so far as is reasonably practicable, safe and without risks to health;
- building fabric and a working environment for employees that is, so far as is reasonably practicable, safe and without risks to health; and
- so far as is reasonably practicable, as regards any place of work under the Councils control, the maintenance of it in a condition that is safe and without risks to health, and the provision and maintenance of means of access to and egress from it that are safe and without such risks.

This policy also provides clarity on how accountability and management of council owned / occupied property is discharged with respect to **The Highland Council Financial Regulations** section 28.2 Property Asset Management: -

28.2.1 The responsibility for managing property assets is delegated to the Director of Development & Infrastructure acting as the designated "Corporate Property Officer".

28.2.2 All of the property assets owned and/or occupied by the Council are corporate assets.

The objective therefore is to make a clear distinction between a Service client requiring a change to a property and the Corporate Property client implementing the change;

a) Service Occupier role

the **Service Occupier** remit held by Service directors covering premises operation; day-to-day operational use; control of premises and the safety of employees / others who use property.

b) Corporate Property client role

the **Corporate Property client** role delegated to the **Property Manager** to ensure; contracts are in place for statutory inspections, testing and maintenance; and that project work meets property-related compliance criteria before occupation; including ensuring client duties under Construction (Design and Management) Regulations 2015 are met.





3.0 Property Management System

The **Property Management System** contains three primary elements; Management Arrangements, Risk Control System and Procedures. Each element is summarised below:

- i. **Management Arrangements** define the delegations made by the Council for property asset management, performance standards and responsibilities for compliance assurance, health and safety management across both property and facilities/occupation premises management and the processes necessary to organise, plan, control and monitor the design and implementation of a property-related Risk Control System.

New

A summary of the responsibilities and arrangements for the management of property-related health and safety is provided in sections 6, 7, 8, 9, 10 and 11 of this policy (with details to be incorporated into the **Council's Scheme of Delegation for Officers**).

- ii. **Risk Control System** set out the appropriate arrangements to be followed to avoid, reduce or control property-related hazards and meet compliance criteria. Arrangements will include suitable inspection, quality control checks, servicing / routine checks, procedures for maintenance, project control and record keeping using information systems to be implemented and kept in place to:

New

- address any risks or non-compliance arising out of property construction work (relating to the **Construction period** and informing occupation ahead of **Practical Completion**) or maintenance activities carried out by employees or others specific to the tasks and responsibilities of the Development and Infrastructure Service
- monitor and track remaining residual risk issues that may impact on **premises operations** and action any risk control / compliance progress for communication to and liaison with occupying Service clients/organisations.

- iii. **Procedures** comprising standards manuals, checksheets and guidance will accompany each Risk Control System to provide and maintain the detailed steps to be taken to prevent harm or loss. **Operational instructions** will be defined and be communicated to those persons at the point of risk or who are responsible for assessing risks. Procedures will set out: -

New

- **protocols** for communication and action in the event of an emergency
- **record keeping** guidance especially for any applicable information systems, and
- arrangements to provide employees and where applicable consultants and contractors involved in construction works with understandable **information, training and instruction** for property/project-related hazard / risk control matters.





4.0 Risk assessment and risk control

Competent persons

The **Head of Property & Facilities Management** in conjunction with the **Property Manager** shall identify capable and competent **Responsible Persons (RP)** and **Depute Responsible Persons (DRP)** within the Service together with **officers** having sufficient skills, knowledge, experience, training, and other qualities to enable them to properly assist in completing necessary risk assessments and be responsible for developing and maintaining the risk control system to achieve compliance for an assigned property-related category (e.g. electrical, gas, asbestos).

New

Responsible and Depute Responsible Persons shall be provided with suitable and sufficient resources to discharge this task and acknowledge acceptance of the delegation made.

A **Register of competent persons** covering property-related statutory compliant matters shall be maintained and made available by the **Service Support Manager**.

A summary of the responsibilities for the management and compliance assurance of property-related health and safety is provided in sections 6, 7, 8, 9, 10, and 11 of this policy with details to be incorporated into the **Council's Scheme of Delegation for Officers**.





5.0 Method of control

a) Risk control review

Existing - enhanced

The **Head of Property & Facilities Management** in conjunction with the **Property Manager** shall establish monitoring arrangements to ensure;

- arrangements for specific property-related risk control and compliance system are developed, implemented and maintained
- awareness and application of the specific property-related risk control system is reviewed including its continued suitability and effectiveness through consultation with those who use or whose safety is reliant upon it
- the status of recorded property-related risks and any non-compliance are reviewed and reported to the Development and Infrastructure Service Management Team on a regular basis
- officers (with appropriate skills, knowledge and experience) covering both the Service client and Property client are represented at property-related **Working Groups**.

b) Property Change Authority

New

Each property-related **Risk Control system** will define **Property Change Authority** arrangements to manage;

- Updating of plant and equipment inventories especially those requiring a statutory inspection
- Additions or omissions to building layout Asset plans
- Information systems including documents containing evidence of thorough examinations of inspection and servicing
- Review of Commissioning of plant and installations including certification before use
- Permits to work
- Communication of '**Intention to change**' any addition to, removal or replacement of property including fixed plant / equipment and to record '**Change complete**'.

New

Arrangements covering any proposed changes to property shall also cover and record;

- **Maintenance Start** (when new properties or occupation changes/new leases are added to the asset register)
- **Maintenance Stop** (when property is disposed of leases are terminated)
- **Maintenance Paused** (where project construction work is carried out to whole or partial areas of property are in possession of a contractor)
- **Maintenance Resumed** (where Practical completion /Making Good Defects periods signal continuation of maintenance contracts).





c) Property Governance

The **Head of Property & Facilities Management** shall establish a **Property Governance Group** led by the Property Manager to inform a **Property Board** of the;

- Effectiveness of property change controls in risk control system
- Review of changes / authorisation of key stage gate progress for projects having significant impact on property performance or maintenance budgets
- Remit and operation of property-specific working groups
- Improvement strategies for property management.

New

d) Handover and Handback

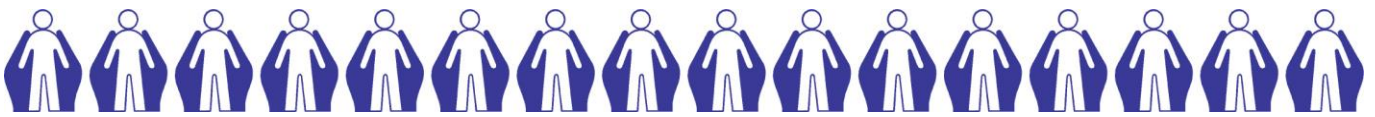
Formal arrangements shall be incorporated into the Project Procedure to formally record;

- **Handover** of property from the Property Client to a Project team (via '**Plan-in-place**' confirmation) e.g. from a maintenance/occupation Steady State to Project State and
- **Handback** to the Property Client (using the '**File-in-place**' confirmations at Practical Completion and Making Good Defects) when occupation / full maintenance commences.

Existing

The above arrangements will control the exchange of responsibility between maintenance 'steady state' and project environments under the responsibility of contract administrators.





6.0 Property Accountability - Property Portfolio Holders and Property Stewardship

Existing

Properties are allocated to a **Property Account** (refer to the table below). The appropriate Director of the occupying Services/organisations that deliver a service from a property has devolved **Property Portfolio Holder** ownership responsibilities for;

New

a) ensuring adequate resources are allocated for property maintenance and premises management

Existing

b) preparing capital spend proposals (including allocating **Project Owners** for construction project client duties and establishing **Project Boards** for high profile/mission critical projects)

c) issuing directions for acquisitions and surplus declarations

New

d) identifying senior managers with delegated responsibilities to;

- establish and maintain arrangements for premises management (identifying **Responsible Premises Officers**) including management of running costs, routine checks and occupation risk control.
- controlling changes to occupation including overseeing property vacancy management
- represent the interests of the Service at the **Asset Management Project Board**.

Existing

| CODE | PROPERTY ACCOUNT | Property Portfolio Holder | Delegated manager |
|------|---|--|---|
| AC | Accommodation Account | Director of Development and Infrastructure Service | Head of Property & Facilities Management |
| CE | Corporate Resources (Chief Executive) | Director of Corporate Resources | Head of Revenues and Business Support |
| CG | Common Good | Director of Corporate Resources | Senior Ward Manager / Inverness City Area Manager |
| ECS | Care and Learning (ECS) | Director of Care and Learning Service | Head of Resources, Care and Learning |
| FC | Corporate Resources (Finance) | Director of Corporate Resources | Head of Revenues and Business Support |
| HLH | High Life Highland (ALO) | Director of Care and Learning Service | Head of Resources, Care and Learning |
| HM | Community Services (Building Maintenance) | Director of Community Services | Head of Housing and Building Maintenance |
| HS | Community Services (Housing) | Director of Community Services | Head of Housing and Building Maintenance |
| PA | Development & Infrastructure (Property) | Director of Development and Infrastructure Service | Head of Development and Regeneration |
| PL | Development & Infrastructure (P&D) | Director of Development and Infrastructure Service | Head of Planning & Environment |
| SW | Care and Learning (H&SC) | Director of Care and Learning Service | Head of Resources, Care and Learning |
| TEC | Community Services (TECS) | Director of Community Services | Head of Roads and Transport |

New

Senior Managers identified for the delegated manager role will have responsibility for ensuring that sustainable arrangements are in place to cover the health, safety and wellbeing of all persons occupying premises within their portfolio reflected as both a core value and by monitoring operational practice by individuals, organisations or communities who use a property facility.





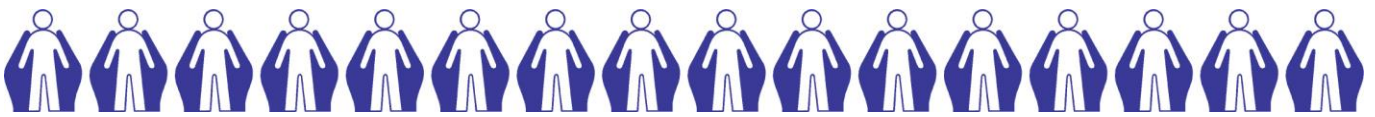
7.0 Role of Responsible Persons for Property and Asset management and Energy

Delegations set out in the schedule below for are made by the **Head of Property & Facilities Management** on behalf of the Director of Development and Infrastructure to officers for **Property and Asset Management**.

| CATEGORY | Statute | Title of Officer to whom/level of post to which delegated | Deputy Responsible Persons | Description of Power or Duty |
|--------------------------------------|--|---|--|--|
| Property Asset management | Health and Safety at Work etc Act 1974 | Corporate Property Asset Manager | Property Manager (Asset Management) | Managing property assets |
| Property management | | Property Manager | Principal Engineer (Maintenance) | Responsibilities; <ul style="list-style-type: none"> Establish and administer property-related highland wide Inspection, Testing and Service contracts |
| | | | Property Management Inspections Officer | <ul style="list-style-type: none"> Manage and monitor revenue and capital budgets allocated to D&I for property maintenance Measure property maintenance performance Establish property management and maintenance procedures and guidance |
| Energy and Sustainability management | | Principal Engineer Energy & Engineering | Property Risk Manager | <ul style="list-style-type: none"> Develop and audit risk control system to measure and report on the status of property-related compliance |
| | | | Standards Engineer | <ul style="list-style-type: none"> Manage energy and sustainable capital projects programmes and financial spend Manage the design and contract administration of energy projects Establish design and energy management standards and procedures Establish and administer Inspection, Testing and Servicing of Biomass boilers and renewable heating. |

New





8.0 Role of Responsible Persons for Construction, Design and Management (CDM)

New

Delegations set out in the schedule below are made by the **Head of Property & Facilities Management** on behalf of the Director of Development and Infrastructure to officers for property **Construction, Design and Management (CDM)**. Where a **Principal Designer (PD)** can meet organisational capability criteria (minimum Safety Schemes in Procurement as Principal Designer with Professional Indemnity insurance for the function) then the company will be considered as PD following a fee bid process. The **Property Manager** is responsible for ensuring the CDM process is incorporated into the **Property Management System**.

| CATEGORY | Statute | Function | Title of Officer to whom / level of post to which delegated | Deputy Responsible Persons | Description of Power or Duty |
|---|---|--|---|--|---|
| Project construction, design and management | Construction (Design and Management) Regulations 2015 | Project Management | Programme Manager | Principal Project Manager(s) | <ul style="list-style-type: none"> • Manage all property capital projects, programmes and financial spend • Establish and monitor standards of project management performance, including processes and procedures • Make suitable arrangements for managing a project, maintaining and reviewing these arrangements throughout, so the project is carried out in a way that manages health & safety risks. |
| | | Lead Designer, Designer and Principal Designer function | Consultancy Manager | Principal Architect(s)/ Principal Engineer(s) in conjunction with CDM Advisors to PD | <ul style="list-style-type: none"> • Manage the design and contract administration processes for all capital property projects including Lead Designer appointments and performance reviews. • Establish design management standards, processes and procedures. • For all internal projects, implement the Lead /Principal Designer role and ensure CDM Designer duties are carried out. • Evaluate and appoint organisations/ individuals for Principal Designer (PD). |
| | | CDM Client Advisor and CDM Advisor to Principal Designer | Property Manager | Property Risk Manager in conjunction with CDM Officer(s) | <ul style="list-style-type: none"> • Manage external CDM Advisors to PD and ensure project Principal Designer/ Principal Contractor duties are met • Supervise and monitor CDM client duties (in conjunction with the Project Manager and Clerk of Works) • For projects administered internally, act in the Construction H&S Advisor role. |
| | | Principal Contractor and Contractor function (where construction works are carried out, managed or controlled by Building Maintenance) | Head of Housing and Building Maintenance | Repairs Managers (North and South) | <ul style="list-style-type: none"> • Plan, manage and monitor the construction phase ensuring Construction Phase Plans are prepared prior to works commencing and H&S Files are created/updated for works involving more than one contractor. |





9.0 Schedule of Delegated Responsible Persons and Deputy Responsible Persons

New

Delegations set out in the schedule below for are made by the **Head of Property & Facilities Management** on behalf of the **Director of Development and Infrastructure** to officers who have sufficient training, experience or knowledge and other qualities to enable them to establish and maintain risk control system to meet the requirements for each compliance category.

| Title of Officer to whom/level of post is delegated | CATEGORY | Statute | Deputy Responsible Persons | | Description of Power or Duty |
|---|---|--|---|--|---|
| Property Manager | Heating and Ventilation systems and Electrical Controls | Control of Substances Hazardous to Health Regulations 2002 | Principal Engineer (Maintenance) | In conjunction with the Engineer (Electrical / Mechanical - Maintenance) and assistance from the Officer assigned as Contract Administrator for relevant Inspection and Servicing contract. | To develop, monitor and maintain Risk Control system covering the compliance / statute category under their control. |
| | | Pressure Systems Safety Regulations 2000 | | | |
| | | Gas Safety (Installation and Use) Regulations 1998 | | | |
| | | Dangerous Substances and Explosive Atmospheres Regulations 2002 | | | |
| | | Electricity at Work Regulations 1989 | Principal Engineer (Maintenance) | In conjunction with the Engineer (Electrical / Mechanical - Maintenance) and assistance from the Officer assigned as Contract Administrator for relevant Inspection and Servicing contract. | |
| | | Lifting Operations and Lifting Equipment Regulations 1998 and Provision and Use of Work Equipment Regulations 1998 | | | |
| | | Provision and Use of Work Equipment Regulations 1998 | | | |
| | Specialist systems | Control of Substances Hazardous to Health Regulations 2002 (in relation to ACoP L8 for water safety) | Property Risk Manager | in conjunction with the Construction Fire Safety Officer and Fire Safety Advisor (for workplace FRAs) and the Engineers (Electrical / Mechanical - Maintenance) and assistance from the Officer assigned as Contract Administrator for relevant Inspection and Servicing contract. | To give advice and communicate compliance requirements to both the duty holder and the Client Service on the steps they need to take in respect of the duty of care to their employees. |
| | | Fire (Scotland) Act 2005 and the Fire Safety (Scotland) Regulations 2006 | | | |
| | Asbestos | Control of Asbestos Regulations 2012 | Property Risk Manager | in conjunction with Asbestos Officer(s) | |

New

The **Deputy Responsible Person** role will be supported by the:

- Property Inspection Contracts team (Contract Administrators and Servicing contractors)
- Property Support team (Property Information system and administration).

Deputy Responsible Persons shall maintain continuous professional development in their specific discipline and to undertake any additional training to take on and maintain this role. Appropriate support will be provided to permit such training.





10.0 Property and Maintenance liaison

Existing

Delegations set out in the schedule below for Property and Maintenance liaison are made by the **Head of Property & Facilities Management**.

Area Maintenance Officer Teams are responsible for **Reactive, Cyclical and Planned maintenance** of properties, condition inspection and implementing operational maintenance procedures associated with property-related risk control system.

Maintenance Officers also have a role in assisting **Responsible Premises Officers** with support and professional guidance to ensure proposals for works comply with all relevant current property-related Health and Safety requirements.

| CATEGORY | Statute | Title of Officer to whom/level of post to which delegated | Deputy Responsible Persons | | Description of Power or Duty |
|---|--|---|---|---|---|
| Planned maintenance Cyclical maintenance Day-to-day repairs Conditions surveys | Health and Safety at Work etc Act 1974 | Property Manager | Area Senior Maintenance Officers | in conjunction with the Area Maintenance Officers | Responsible for providing a high quality, effective and customer focussed Inspection, Repair and Maintenance service in respect of properties within operational areas. |

New

The **Head of Property & Facilities Management** shall arrange in conjunction with the Property Manager to liaise with **Area and Service Managers** to review arrangements to support **Responsible Premises Officers** with property-related matters including;

- pre-start checks of contractor methods of work to allow permission to commence works
- building fabric/services condition checks / annual assessment for safe working environment
- prioritisation of planned maintenance
- assisting in premises operational checks relating to security and reviews of residual risk matters e.g. asbestos condition, water risk control, etc.

New

Senior Maintenance Officers are responsible for co-ordinating resources for maintenance related works within their area and to implement an **Authorising Person*** role on behalf of the **Property Client** in conjunction with **Area Maintenance Officers** acting as Property Client Representatives to manage repairs, be aware of and control changes to property within their area when in the maintenance 'steady state' environment.

*The **Authorising Person** role will include **Senior Maintenance Officers** acknowledging;

- **'Plan-in-Place'** to give permission for construction works to commence on site
- **'File-in-Place'** to confirm that information is available to verify that the property is safe to occupy / re-occupy on completion of works and that
- **Property condition records** have been updated in the Asset management system.





11.0 Clerk of Works function

Existing

Delegations set out in the schedule below for **Clerk of Works** functions are made by the **Head of Property & Facilities Management** in conjunction with the **Property Manager**.

The **Senior Clerk of Works** will review availability of suitable resources from **Area Maintenance Teams** or via the **Construction Clerk of Works team** / external capable companies to provide a Clerk of Works / Building Services Inspection service to suit specific construction work projects.

| CATEGORY | Statute | Title of Officer to whom/level of post to which delegated | Deputy Responsible Persons | Description of Power or Duty |
|--------------------------------|---|---|------------------------------|--|
| Clerk of Work(s) | Health and Safety at Work etc Act 1974 | Property Manager | Senior Clerk of Works | Responsible for arranging, in conjunction with Senior Maintenance Officers and Area Maintenance Officers or Construction Clerk of Works team/external capable companies; <ul style="list-style-type: none"> - the supervision of works, - monitoring of quality, - technical assurance, - performance of Clerk of Works function as required for Capital, Planned and Cyclical programmes of work and where NEC3 contracts are in place, the provision of Supervising Officer role. |
| Building Services Inspector(s) | Construction (Design and Management) Regulations 2015 | | | |





12.0 Property Budgets - Maintenance

Responsibilities and financial resources for property-related maintenance of plant and equipment span both Development & Infrastructure and the occupying client Service who may own / operate equipment. The table below sets out **Budgets categories for maintenance**.

| Existing | Category | Funding Source | Narrative | % of Property Revenue Maintenance Budget Allocated Annually | |
|----------|--|---|--|---|-----|
| | Planned/ Preventative Maintenance | Property Revenue Maintenance Budget | A programme of Condition-Based Property Repairs and Preventative Maintenance is used to comply with statutory requirements and for building fabric, preservation of external surface treatments, structural components and renewal of time expired plant. The aim is to prevent major failure and reduce total maintenance costs over time. Undertaken as a result of a property asset's condition. Responsible Premises Officers are consulted annually by Area Maintenance Officers to obtain details of their works programmes whilst setting the maintenance works programme to identify potentially conflicting schemes and opportunities for joint working for mutual benefit. | 23% | 71% |
| | Cyclical, Servicing Maintenance | Property Revenue Maintenance Budget and Client Service Funded | Also in the Planned/Preventative category this involves the servicing of systems, components and assets. It is used to comply with statutory or manufacturer's requirements and building services. Undertaken at predetermined time intervals as required by statutory, technical, condition or operational reliability considerations. This applies to building structures, fabric, services, operational equipment and is predominantly used for the maintenance of mechanical and electrical services (this is not solely funded by the Property Revenue Maintenance Budget). Several contracts are run for service's operational equipment / items, where this is the case the cost of the works is either charged direct or recharged to the Service. | 48% | |
| | Reactive Maintenance | Property Revenue Maintenance Budget and Client Service Funded | Reactive Maintenance is minor unplanned maintenance used for assets experiencing breakdown, failure or vandalism of a component and for maintenance of those assets identified for disposal. Apart from statutory requirements, no maintenance action is undertaken until breakdown or the asset quality falls below the minimum standard specified for the asset. Reactive maintenance may be used for minor non-critical assets and those assets planned for refurbishment, replacement or disposal. | 29% | |
| | Backlog Maintenance | TBD | Backlog Maintenance is maintenance which has been deferred on a planned or unplanned basis usually due to lack of funds. Where identified items are considered out of scope of the Property Revenue Maintenance Budget due to the costs involved they are reviewed and considered for component enhancement opportunities and other funding streams. Required maintenance is re-evaluated at least annually in terms of priority and considered for inclusion in the maintenance work programme. | | |
| | Enhancements | TBD | Where possible maintenance works classified as an enhancement may be capitalised. Such works would lengthen substantially the useful life of the asset, increase substantially the open market value of the asset or increase substantially the extent to which the asset can be used. A bid for capital funds to undertake this work from Backlog Maintenance Items are considered at least annually. | | |

Appendix B sets out Budget Responsibilities for Plant and Equipment.





13.0 Property Budgets - Capital

Existing

The **Property Capital programme** supports the Council's commitment to improve the rationalisation, performance and compliance of its Property Assets. Budget categories include;

- Health & Safety/Statutory Compliance Projects (SAM) e.g. re-roofing, re-wiring, etc
- Office Rationalisation projects e.g. Fort William Office Rationalisation
- Energy Management projects e.g. installation of Biomass boilers

14.0 Property Maintenance budget monitoring

Existing

The status of maintenance spend is monitored on a regular basis utilising the K2 Asset management information system. A spreadsheet is used to summarise the spend across areas and property maintenance categories and can be accessed from the following link;

[..\Property & Maintenance\Maintenance\2017_18 Reports\Revenue Budget 2017_2018.xlsm](#)

15.0 Property Maintenance – ‘Neutral Servicing Indices’ (NSI)

New

The ability to keep within budgets for maintenance can be challenging and one aspect that can have a significant impact on forecasting spend is the level of increased plant / equipment that can be present in new / refurbished properties compared to those buildings they replace. In order to assist designers and project managers gauge any likely additional costs in maintenance the use of an indice to measure existing costs with proposed is to be developed.

The **‘Neutral Servicing Indices’** is a new concept based on;

- the existing average cost of plant / equipment servicing divided by
- the proposed cost of new / replacement plant equipment.
- Where the result is ‘1’ or lower then there is no estimated additional cost to the maintenance budget or a saving is anticipated (from either reduced numbers of equipment or more efficient maintenance regime is required).
- Where the result is greater than ‘1’ then the Property Manager is to be informed with a forecast of the additional estimated cost of maintenance.

The development of this initiative should enable early recognition of increased costs of maintenance and allow discussion on any potential for value engineering or other means to take account of the outcome on maintenance budgets.





APPENDIX - A

Categories of Property

| Council owned and Maintained and occupied by Council Staff | | Property Example | Reasonably practicable steps in relation to maintenance | |
|---|-----------|---|--|--|
| A | A1 | Property fully occupied by Council Service | e.g. Headquarters offices | Let and administer Service and inspection contracts and monitor compliance |
| | A2 | Majority occupied by Council / 3rd party minority (i.e. rooms used under a Licence to Occupy) | Dochfour Drive Huts (Children First Hut 3 rd party) | Let and administer Service and inspection contracts and monitor compliance |
| | A3 | Minority occupied by Council / 3rd party majority | Eden Court offices | Let and administer Service and inspection contracts and monitor compliance |

| Council Owned / No Council Staff - Solely occupied by 3rd party | | Property Example | Reasonably practicable steps in relation to maintenance | |
|--|-----------|--|--|--|
| B | B1 | Council maintained with Service delivered by 3 rd Party | Highlife Highland Leisure Centre | Let and administer Service and inspection contracts and monitor compliance |
| | B2 | 3rd party maintained but Council repairs on request | Caledonian Leisure Inverness Leisure | Let and administer Service and inspection contracts and monitor compliance |
| | B3 | 3rd party maintained | | Let and administer Service and inspection contracts and monitor compliance |

| 3rd Party Owned / Council Leased / Occupied in part | | Property Example | Reasonably practicable steps in relation to maintenance | |
|--|-----------|--|--|---|
| C | C1 | Former Council building now community run with partial occupation by Council | Talla Nan Ross (Registrar room) | Arrange for statutory compliance information from 3 rd party |
| | C2 | Privately owned building | Helmsdale Service Point | Arrange for statutory compliance information from 3 rd party |

| 3rd Party PPP Owned / Council Occupied | | Property Example | Reasonably practicable steps in relation to maintenance | |
|--|-----------|---|--|---|
| D | D1 | Fully maintained by service provider | PPP Schools | Arrange for statutory compliance information from 3 rd party |
| | D2 | Partially maintained / Council maintains own equipment (i.e. service contracts for lifting equipment) | PPP1 Schools | Arrange for statutory compliance information from 3 rd party |

| 3rd Party Owned / 3rd Party Occupied | | Property Example | Reasonably practicable steps in relation to maintenance | |
|---|-----------|---|--|---|
| E | E1 | Capital project contracts let by Council as management agent | Care Homes transferred to NHS Highland | Arrange for statutory compliance information from 3 rd party |
| | E2 | Repairs or Service contracts let by Council as management agent | Fire / Police Authority properties | Arrange for statutory compliance information from 3 rd party |

New





APPENDIX - B

Budget Responsibilities for Plant and Equipment

The table below (*note: work in progress*) outlines the main plant/equipment type and allocation of duty holder for statutory compliance / budget holder.

New

| Service Contract Description | Budget Holder | Inspection responsibilities | Routine Servicing & Maintenance | Repairs |
|--|----------------|-----------------------------|---------------------------------|---------|
| Swimming Pool Maintenance | D & I | D & I | D & I | D & I |
| External Clock Servicing | D & I | D & I | D & I | D & I |
| Fire Suppression Systems | D & I | D & I | D & I | D & I |
| Emergency Generator Servicing | D & I | D & I | D & I | D & I |
| Inspection of Air Conditioning Systems to TM44 >12kw (and <12kw) | D & I | D & I | D & I | D & I |
| Fire & Security Systems - FIRE | D & I | D & I | D & I | D & I |
| Fire & Security Systems - SECURITY | Owning Service | D & I | D & I | D & I |
| Gas Safety Checks Non- Housing Gas Servicing | D & I | D & I | D & I | D & I |
| Kitchen Canopy Cleaning | D & I | D & I | D & I | D & I |
| Lift Servicing | D & I | D & I | D & I | D & I |
| Portable Fire Appliances | D & I | D & I | D & I | D & I |
| Inspections of Roof Anchors / Safety Wires, Chimney's, Lightning Protection and Earthing Systems | D & I | D & I | D & I | D & I |
| Fixed Electrical - Catering | C & L | D & I | D & I | D & I |
| Maintenance of Automatic Doors | D & I | D & I | D & I | D & I |





| Service Contract Description | Budget Holder | Inspection responsibilities | Routine Servicing & Maintenance | Repairs |
|--|----------------|-----------------------------|---------------------------------|------------|
| Water Management | D & I | TBC | D & I | D & I |
| Water Risk Assessments - Remedial Works (In Progress) | D & I | TBC | D & I | D & I |
| Emergency Lighting - Inspection/Testing | D & I | D & I | D & I | D & I |
| Domestic Gas Servicing | CS | D & I | D & I | D & I |
| Wood Dust Systems + Craft Design Technology (CDT) Equipment | C & L / CS | D & I | D & I | D & I |
| Inspection & Testing of Plant & Equipment including Staging & Lighting | Owning Service | D & I | D & I | D & I |
| Thermostatic Mixing Valves (TMV) Maintenance | D & I / CS | D & I / CS | D & I / CS | D & I / CS |
| New Fixed Electrical Installations Inspection and Testing | Owning Service | D & I | D & I | D & I |
| Oil Boilers - Non Gas & Plant Room Servicing (Non Domestic) | D & I | D & I | D & I | D & I |
| Grease Traps and Sewage pumps- Kitchens. | Owning Service | D & I | D & I | D & I |
| Synthetic Turf Sports Pitches | C & L | D & I | D & I | D & I |
| Lifting Equipment & Mobility Aids | C & L | D & I | D & I | D & I |
| Sports & Gym Equipment | C & L | D & I | D & I | D & I |

