



Report to: Policy & Performance Improvement Committee Meeting 30.1.2023

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Report Summary	
Report Title	Briefing on Property Compliance across the Corporate Estate
Purpose of Report	This report updates Members of PPIC on Compliance Management across the Estate, focusing on the Corporate Estate and Tenanted Properties
Recommendations	Note the content of the report and acknowledge the work being done across the Corporate Estate

1.0 Background

- 1.1 This report provides a high level overview of the core elements of the compliance related activities undertaken by the Corporate Property Business Unit across the corporate and commercial tenanted estate. It also highlights the software applications used and proposed for the monitoring of compliance and the importance of the application in the management of building compliance.
- 1.2 In addition to the 25 directly managed sites, 58 commercial industrial units, 12 retail shops and 18 retail studios are visited and audited.
- 1.3 The 2022/23 Q3 KPI reporting notes that across the commercial (industrial & retail) estates we are at 100% tenant occupancy, with Sherwood Arts and Crafts Centre also at 100%. The Newark Beacon is at 92.8%, with Heads of Terms offered in January 2023 which would bring occupancy in Q4 to 99%.
- 1.4 Budgeted rental income receipts for 2022/23 across the commercial portfolio is currently projected at circa £1.6M. Some of our commercial sites benefit from a service charge, which assists in the offsetting of operational costs. The projected figure for 2022/23 is circa £49K.

2.0 **Proposal**

2.1 Some examples of compliance servicing and repairs throughout the Corporate Property Estate-

Fire Safety- Fire alarms, disable refuge, fire extinguishers, smoke vents, fire hydrants, fire suppression system, fire dampers.

Gas Safety- Gas safety inspections, boilers, heaters, cookers.

Electrical Safety- EICR, PAT testing, emergency lighting.

Legionella- Monthly temperature monitoring, water sampling, calorifier inspections, de-scale showers, flushing, TMV servicing, system disinfection, storage tank cleans.

Asbestos- Asbestos register, management/ R&D Surveys, annual inspection of ACMs.

Air Conditioning Systems- Servicing and F-gas leakage testing.

Lifts & Lifting Equipment- Servicing and repairs.

Fall Arrest Systems- Inspection and testing.

2.2 Compliance servicing is carried out as per legislative and regulatory requirements. Next inspection dates are currently inputted into the compliance spreadsheet/ any repair works, this is regularly updated. Service sheets and records are saved into the relevant compliance folders. It is intended that this method of date recording will move to Concerto by the beginning of the 23/24 financial year.

2.3 On a quarterly basis the following items are reported at the risk management group:
Legionella- No more than 6 legionella non-conformities per month. All non-conformities to be resolved within 3 working days of the issue been reported to the corporate property team.

Asbestos- Annual Inspection of ACMs, 100% of inspections must be completed each year, in line with the inspection due dates.

Fire Risk Assessment's- Annual review, 100% of annual reviews must be completed each year.

Gas Boiler Service- Annual Inspection. 100% of inspections must be completed each year, in line with the inspection due dates.

Electrical Inspection Condition Report. 100% of inspections must be completed in line with the inspection due dates.

To demonstrate compliance performance, the 2022/23 Q3 Assurance Report (General Fund) is attached (Appendix 1) with noted actions from Q2 fully resolved or in progress. Housing compliance is conducted through the HRA and is reported separately.

2.4 We also carry out the following annual reviews-
We review all of our Fire & Legionella Risk Assessments at least every 12 months to ensure the risk assessment is still sufficient for the building.

We also carry out an annual review of our Asbestos Management Plan this checks that inspections regimes are sufficient and highlights any changes in materials or operations.

2.5 **Software for monitoring:**

2.6 Concerto is a computer aided facilities management software application that is used by Council officers to manage the General Fund corporate and tenanted estates. It is a bespoke web-based application that has been populated to reflect the Council's

asset registers and provide an integrated database and central source of information for officers. It is the foundation of our asset knowledge, providing a single interface in which all aspects of compliance, planned and reactive repairs, maintenance and estates management are managed and controlled. The application allows officers to recognise, through the live dashboard (Appendix 2), outstanding and upcoming work streams to ensure that, for example, aspects relating to compliance and lease agreements are dealt with in good time, fully documented and evidenced. Managers can monitor these work streams and therefore able to support officers, ensuring timely interjections where required. Concerto allows managers and officers to visualise, prioritise and allocate resources more effectively. Through Concerto, 25 separate sites are directly managed for compliance under the landlord's duty of care. These sites are detailed within Table 5 in Appendix 1 and comprise corporate, retail, community, leisure, office, industrial, visitor and amenities sites.

- 2.6 We now use the software SFG20, it is a library of compliance maintenance schedules. This software helps maintain compliance and keep up to date with ever changing regulations. We are using this software alongside Concerto to migrate our existing records and regimes onto our new Concerto compliance database (This is currently in progress).
- 2.7 Zetasafe is a compliance software that enables checks to be recorded by scanning the QR code on the relevant assets. Data is received back real time so at any point the data can be viewed to check compliance. The implementation of Zetasafe is set to commence in January 23. This will see the traditional fire logbook on site replaced for the electronic system, Zetasafe. This system will be a more robust way of ensuring compliance, with its powerful reporting system that highlights real-time compliance.
- 2.8 Tenant compliance monitoring details.

Under The Health and Safety At Work Act (1974) and subordinate legislation, a duty of care passes from the landlord to the incoming tenant to maintain all aspects of health and safety, including mandatory compliance. Our commercial leases also capture a requirement of the tenant to maintain the property to a standard as defined in the schedule of condition (Appendix 3), which forms part of the lease. The Council, as landlord, ensures that the property is fully compliant and in good repair and condition before handover. To support this, a potential tenant is informed of their responsibilities during negotiation and a copy of the Council's Tenant handbook (Appendix 4) is presented to them when they are offered Heads of Terms. The handbook is a guide for those who wish to lease commercial premises from the Council and these obligations are included. All our existing tenants have received a copy of the handbook.
- 2.9 The estates management team conduct regular visits and audits (Appendix 5) to tenanted properties. As part of these visits, compliance and basic condition checks are undertaken to ensure the tenant is maintaining the property as defined by legislation and lease requirements. Concerto provides a back up to our visits, given the database holds dates of compliance renewals and requirement, for example, to carry out a mandatory five-year fixed wiring electrical test or to internally decorate the property. Where the required duty of care is evidenced as falling short of the required standards,

the estates management team will serve, where appropriate, informal, and formal notices of improvement and monitor through an action plan until close out.

- 2.10 At the end of a lease or activation of a break clause, a full property survey (Appendix 6) is taken 3 months prior to departure and the tenant informed as to what improvements, including compliance are required to bring the property back to the documented schedule of condition. Any shortfalls form the basis of the dilapidation report, to which the tenant is legally obliged to rectify. Whilst the Council as landlord is not obliged to maintain compliance in a property under the passing of duty of care to the tenant, it is nonetheless good estates management to do so with these robust processes and monitoring in place.

3.0 Implications

None other than those mentioned in the body of this report.