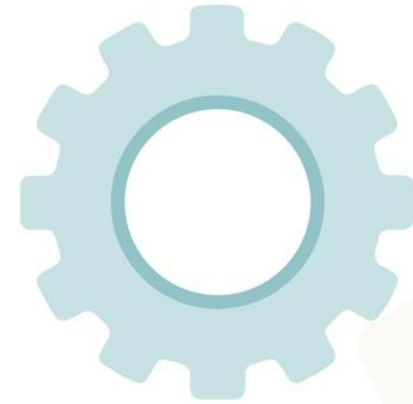


SFG20



Top 10 tips for reducing maintenance costs



SFG20 Today we'll cover....

1. Why is cost an issue and what's driving it?
2. Types of building maintenance costs
3. Top 10 tips for reducing building maintenance costs
4. How to defend your maintenance budget

SFG20 Introduction



Lisa Hamilton
Marketing Director



Andy Beale
Account Manager

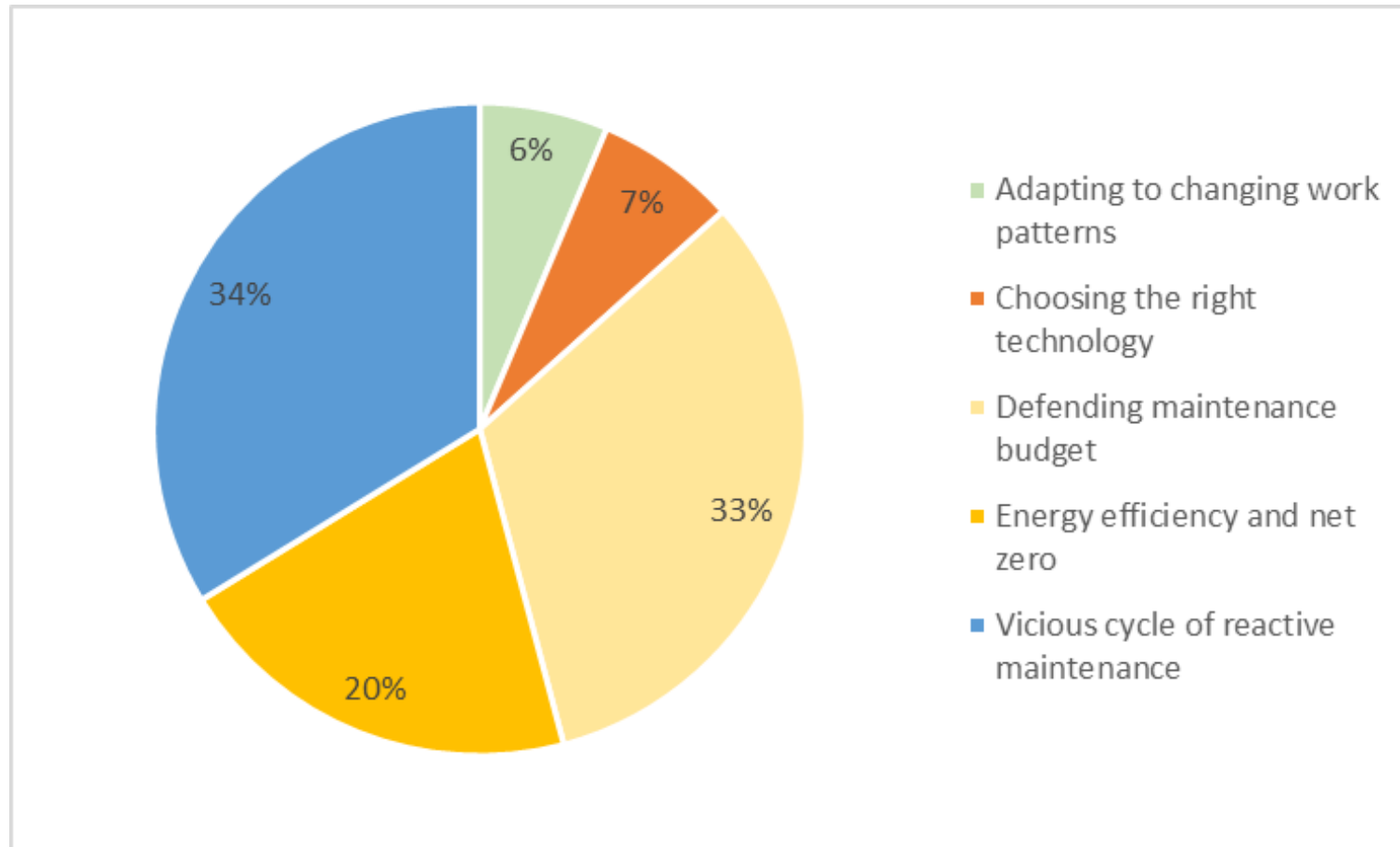
SFG20 Who are SFG20?

- SFG20 is part of The Building Engineering Services Association
- Dedicated teams of technical authors and software developers, learning & development, customer success = best customer experience
- A business with customers, large and small, in many countries around the world, inc. healthcare, education, government, sports and leisure and property
- Industry thought leaders, committed to safe and efficient maintenance practices, referenced as the standard to maintain to in industry guides and tenders



SFG20 Which of these issues is most pressing?

- Showing that cost is a major concern for maint professionals



SFG20 What are the different types of costs ?

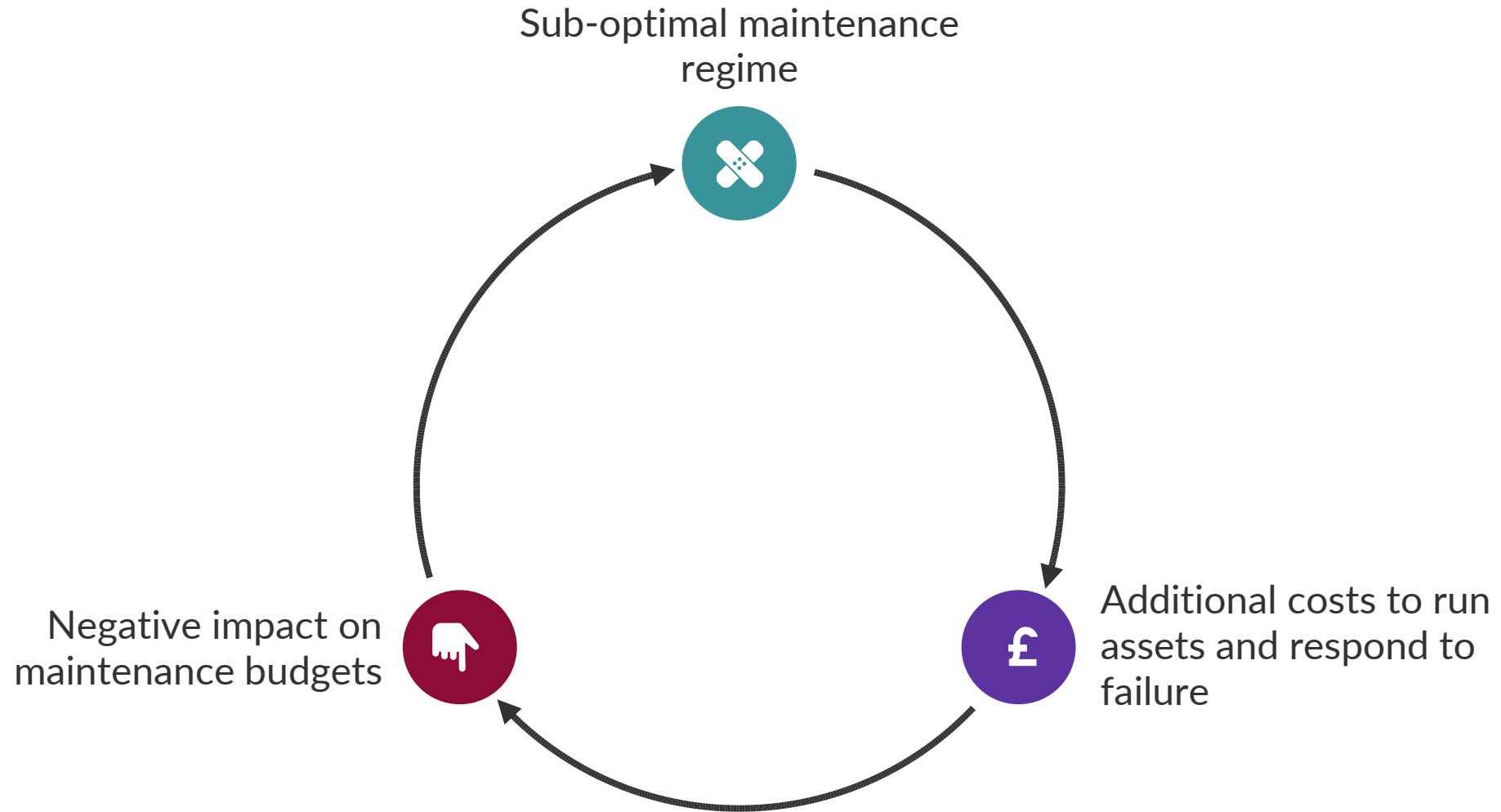
- **Planned**
 - Preventative, predictive, routine maintenance
 - Capital improvements
- **Unplanned**
 - Reactive, emergency, corrective
- **Overheads**
 - Salaries, utilities, training etc.

SFG20 Cost pressure from multiple sources



- Costs of parts +15%¹
- Labour shortages and increases in wages +7.5%¹
- Gas prices +77%, Electricity +40%²
- Competition leads to drop in profits
- Budget cuts

SFG20 Vicious cycle of sub-optimal maintenance

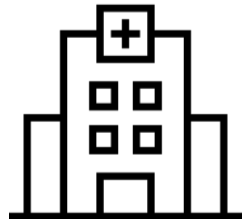


SFG20 Implications of cost pressures

Few organisations have sufficient resource to do 100% of maintenance

Maintenance
backlog

NHS = £9.2bn¹



£4.6bn²

deficiencies posing a 'high' or 'significant' risk to patients and staff²

Schools = £6.7bn³



4.7m m²

Higher Education buildings in poor condition⁴

¹2020/21 Estates Return Information Collection (ERIC), NHS Digital

³National Audit Office

²2021 Kings College Analysis

⁴Higher Education Funding Council for England, Academic Institutions Management Services (AIMS)

SFG20 Top 10 tips for reducing maintenance costs



PEOPLE



PLANNING



**WORK
SMART**

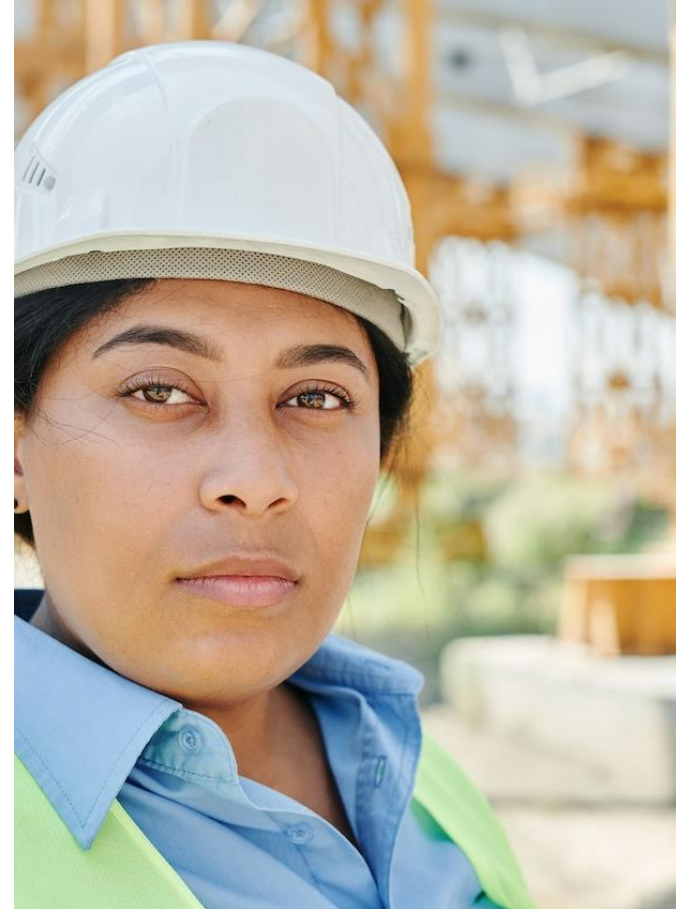


ENERGY

SFG20 Know when to outsource expertise

1

- Regulatory guidance, such as BS, IET, HSE, BCGA (healthcare), HTM
- Team expertise
- Manufacturer's guidance
- Example:
 - 100 schedules x 10 hours to create a schedule and keep it updated
 - 60% of a FT employee = c. £30k
- How many schedules does your maintenance plan contain?



¹ 35 hour week, 5 weeks' holiday per year, annual salary £50k

SFG20 Maximise your internal resource

2

- What tasks can be carried out internally?
- SFG20 instruction sets identify what skills are required for each task
- How many tasks can your team complete now....or with training / certification?
- Personal development & retention
- Balance of in house / outsourced maintenance

BL	Building Trade	Relevant qualifications in construction with workplace experience; Health and Safety qualifications in a Construction Environment; Evidence of experience and "in company" training
CC	Chartered Civil Engineer	This definition is used by the Institution of Civil Engineers: Accredited 4 year integrated MEng degree in Civil Engineering; Bachelor's degree; accredited Master's degree CEng
CP	Competent Person	Relevant experience with accredited course certificates for the subject matter, or professionally qualified A competent person who has sufficient training and experience or knowledge and other qualities that allow them to undertake work in a safe manner
CF	Competent Person (Fire)	Someone with sufficient training and experience or knowledge and other qualities to enable them to assist in undertaking the preventive and protective measures to properly carry out the task at hand' (Based on the definition used in The Regulatory Reform (Fire Safety) Order 2005)

SFG20 Colour-coded instruction sets

Which tasks help
prolong asset life

5

Fire door obstructions

Criticality: Amber

Frequency: 1M

Skill Set: Facilities Manager

Action:

1 Check

2 Remove

on either

How often

By whom

Notes: This check may be completed by fire wardens (marshals) if suitably instructed.

Which tasks are
statutory

6

Self-closing devices in residential buildings

Criticality: Red

Frequency: 3M

Skill Set: Facilities Manager

Action: For residential buildings containing separate dwellings, check:

1 The closing device is correctly attached to the door leaf and frame.

2 There is no leaking oil.

3 There is no

4 The door

5 If it is a

6 Ensure that rebated double-leaf door sets are fitted with a suitable co-ordination device which functions correctly and enables the leaves to close in the correct sequence.

7 Where necessary, ensure that the door's opening force is in compliance with current accessibility regulations.

What maintenance needs to be done

Notes:

SFG20 Mitigate your risk

3

- Safe and compliant (SFG20 RED tasks)
- Sector specific requirements (SFG20 PINK tasks)
- Stay on top of all legislation and regulation
- Maintenance regimes need to be updated in line
- Maintenance budget needs to be sufficient to cover all maintenance tasks required by law relating to your facility
- Avoid fines

"I find SFG20 content incredibly helpful, and I use it on a regular basis to help the Operational teams stay on top of a wide range of statutory tasks and best practice. It's the trusted industry standard for building maintenance and we use it to help us reduce and mitigate risks for our clients."

Mark Chenery, Risk Manager, FES FM Ltd.



SFG20 Reduce unplanned, expensive failures 4

- Planned reduces likelihood of costly, unexpected failures and downtime
- Avoid paying a premium on emergency labour and parts
- Store parts on site for key assets
- Cost savings can be made by taking a reactive approach on certain assets e.g., bathroom extractor fans and non-critical lights.

"It is recognised good practice to allocate planned preventative maintenance and reactive maintenance budgets in the region of 70:30 ratio."

Chartered Institute of Public Finance and Accountancy (CIPFA)

SFG20 Apply risk to refine frequencies

5

- Identify the risks that face your facility
- Opportunity to optimise frequencies for non-statutory tasks and assets with low operational risks
- Consider whether the frequencies can be adjusted to reduce the number of site visits over the course of the year

		Probability		
		1	2	3
Impact	1	Low	Low	Medium
	2	Low	Medium	High
	3	Medium	High	High

SFG20 Manage change in occupation/usage

6

- Able to adapt e.g., reduced occupation due to business demand or environmental conditions.
- Know how to manage an unoccupied building facing partial or full closure
- Consider security, statutory compliance, protecting the building fabric, critical systems, insurance requirements
- Water systems safe and healthy; active and passive fire protection systems; safe handling of refrigerant gases; electrical and gas service safety checks and ventilation hygiene
- Opportunities to save costs by mothballing areas within a building or adjusting frequencies of tasks for low usage

SFG20 Apply appropriate PPM to the life stage of the building

7

- Adjust approach to reflect the age of building and intent of lifespan
- Some buildings will be retained for 5+ years, whilst others will be disposed in the near term
- Scenario modelling allows property managers to identify the appropriate level of PPM

SFG20 Overlay smart technology

8

- The condition of your assets will affect how frequently you need to maintain them
- Technology is now a realistic option for many businesses, thanks to a falling price in monitor and sensors
- Monitor critical assets
- Ability to play with low risk assets / tasks



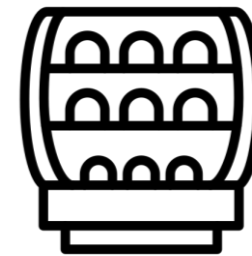
SFG20 Control energy consumption

9

- HVAC may account for 50% of a building's energy usage
- Well-maintained assets use less energy to run
- Last longer than assets that are left to degrade
- Reduces operational AND embodied carbon
- Automating lighting controls or switching to LED lighting

Refrigerated display cabinets

Blocked condenser condenser

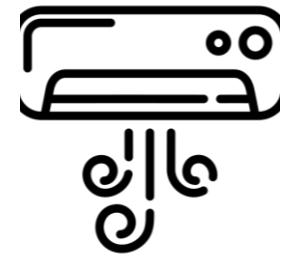


Energy consumption
consumption
increase



Walk in cool rooms

Contaminated
refrigerant



Source: Department of Climate Change, Energy, the Environment and Water (DCCEEW)

SFG20 Minimise site visits

10

- Group planned tasks that require a certain skill set in a similar time period
- Batch non-critical reactive tasks and complete when next planned works take place
- Whilst on site fixing a reactive task, complete anything that is planned in the next 2 weeks
- Reduction in call out costs AND carbon emissions



SFG20 Top 10 tips for reducing maintenance costs

- Know when to outsource expertise
- Manage partial/no occupation
- Maximise your internal resource
- Apply risk to refine frequencies
- Mitigate your risk
- Apply appropriate PPM for life stage of building
- Reduce unplanned, expensive failures
- Overlay smart technology
- Apply risk to refine frequencies
- Control energy usage
- Minimise site visits

11

Review vendor contracts to ensure that maintenance costs are reasonable and aligned with market rates

SFG20 Understand costs & priorities = challenge

"...80% of the cost of ownership of any built asset is in ongoing operation and maintenance, but many clients find it almost impossible to get a clear handle on how much they should be spending and on what."

BESA chief executive, David Frise



- Focus resource on statutory maintenance tasks required by law
- Use risk based approach to identify what other maintenance should be completed
- Use a robust budget planning tool, such as SFG20 Resource Modeller

