



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Non-key Decision

15 July 2020

Councillor Kelham Cooke


The Leader of the Council

Property Maintenance Reserve - Release of Funds

To seek approval to release £70,000 from the property maintenance reserve in order to maintain existing general fund Council stock.

Report Author

Chris Pike – Asset Manager

 c.pike@southkesteven.gov.uk

Approved for publication:

Councillor Kelham Cooke, The Leader of the Council

20 July 2020

Recommendation (s) to the decision maker (s)

Approve the release of funds in the sum of £70,000, from the property maintenance reserve, to maintain existing general fund Council stock as follows:

- 1. Carry out essential health and safety works at Barnack Road in Stamford;**
- 2. Undertake a structural survey on Wharf Road Car Park, Grantham; and**
- 3. Health and safety works to the Council's Depot off Alexandra Road, Grantham**

The Purpose of the Report

- 1.1 To obtain authorisation for the release of £70,000 from the property maintenance reserve, which currently has a total of £500,000. This £500,000 was allocated at full Council on the 2nd March 2020. The release will enable the Council to:
- 1.2 Carry out essential health and safety works and to decommission the gas supply at the Council's industrial site, on Barnack Road in Stamford. This cost is estimated at £35,000.
 - 1.2.1 Barnack Road in Stamford was acquired by the Council in March 2019 for the purposes of re-development. The site covers approximately 15 acres and consists of 300,000 sq ft of employment, industrial and warehouse space. The decommissioning of the gas was originally going to be dealt with at the demolition stage. However, given the potential risk to life, following the number of times that the property has been broken into by unauthorised persons, it is important to, now, switch the gas system off and to release all gas from the pipework. Additional security measures have been put in place, in the interim period, to minimise the chances of any potential risk to life.
- 1.3 Obtain a professional structural survey on Wharf Road Car Park, Grantham. This cost is estimated at £20,000. A further £10,000 is also required to receive specific advice from an expert who can give the Council advice relating to future dilapidation costs.
 - 1.3.1 Wharf Road car park, which is a multi-storey car park in Grantham, is leased to the Council. The lease is due to expire in the year 2024, where the Council will be liable for reinstating its condition to a reasonable standard, taking into consideration fair wear and tear. The landlord has the ability to serve an interim dilapidation schedule on the Council, due to its current condition and have made known to the Council, their concerns over the structural stability of the building/car park. The Council has a full repairing lease on the upper parts and is responsible for the structure.
 - 1.3.2 To enable the Council to assess the condition of the multi-storey car park, a full conditional and structural survey needs to be undertaken, including some investigational work on the reinforced concrete within the building. Car parks, which are similar in age have suffered from concrete cancer, which is the term used to refer to the rusting of steel reinforcements caused by the presence of contaminants or the action of weather, combined with atmospheric properties. It includes rusting of the concrete reinforcement bar and any number of concrete failures. The report will give the Council some comfort that the structure is safe for use, as well as give the Council some direction in terms of reinstatement costs for implementation now, or at the end of the lease.
- 1.4 Undertake health and safety works to the Council's Depot at Alexandra Road in Grantham. This cost is estimated at £5,000.
 - 1.4.1 Following a recent health and safety inspection, it became apparent that there were a number of health and safety concerns at the Depot. The funds would be used to address these issues and to reduce future risk. A key area of concern is the traffic and speed of vehicles from occupiers and other business users sharing the site. Speed humps will be introduced to slow down the speed of traffic.

Available Options Considered

- 2.1 Barnack Road - An increased security provision has been considered for the site at Barnack Road in Stamford, which would include two security guards carrying out a 24/7

patrol. The cost for this security provision has shown to be in excess of £200,000 per year and is not feasible under the current available budget.

- 2.2 Wharf Road Car Park - There is no other option available to the Council, other than to not carry out a survey. There have been concerns in the past with the condition of the car park and therefore, this survey will give the Council more information relating to the safety of the structure, as well as the possible level of dilapidations upon the expiry of the lease expiry.
- 2.3 The Council's Depot (at Alexandra Road, Grantham) - The Council could choose not to undertake the health and safety works, however, the Council have a duty of care to all of its staff and the public who use this land. Therefore, this work will reduce and if possible eliminate any known health and safety risks to users of the site.

Preferred Option

- 3.1 1) To grant the full release of the £70,000 for the purposes set out in this report.

Reasons for the Recommendation (s)

- 4.1 It is recommended that authority is given to release funds of £70,000 from the property maintenance reserve to carry out the essential works linked to the maintenance of the Council freehold and leasehold assets. The spend of the £70,000, on the required works, is fundamental for protecting the Council's position from a risk and management perspective and is in accordance with the proposed Asset Management Strategy 2020, which was considered by the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee on the 4th February 2020.

Financial Implications

- 5.1 There is a balance of £298k in the property maintenance reserve which can be used to finance these works.

Financial Implications reviewed by: Alison Hall-Wright, Head of Finance

Legal and Governance Implications

- 6.1 The Council, as an owner of land, has a duty to ensure such land and property is safe to use by all visitors and members of the public. Accordingly, the spend of the £70,000, from the property maintenance reserve, as outlined in this report, is essential to maintain health and safety. The actions show a consistent basis on which the Council is managing its corporate land assets.

Legal Implications reviewed by: Shelley Hardy, Legal Services

Equality and Safeguarding implications

- 7.1 The actions will support equality and safeguarding measures for all members of the public and Council staff too, not just those with protected characteristics.

How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 1) *Barnack Road - There will be large carbon benefits and saving opportunities as a result of the gas supply being decommissioned at Barnack Road, Stamford. This will also mean that there should be less travel time for officers to the site, and the full security responsibility can be left to the security firm to manage. The St Martin's Park development, which forms part of the Barnack Road site, will also have sustainable*

benefits through good design and connectivity. A Sustainability Officer has been appointed to advise the Council on the sustainable measures which should be put in place as part of the proposed scheme. There will be ways of monitoring carbon built into the scheme but due to the timescales of the development, is not possible to implement in the short term.

- 2) *Wharf Road - Although there are no direct carbon reduction benefits from undertaking the survey of the car park, there could be measures put in place depending on the Council's position to reduce the energy efficiency of the building. This could include fitting LED lighting where viable, and providing the Council occupied the building for the 5.8 year payback period. The carbon emissions produced from this building are monitored and this could become a quick win to the Council if implemented. A local contractor would be invited to tender for any works on receipt of the survey.*
- 3) *Depot, Alexandra Road, Grantham - Although there are no direct carbon reductions from addressing these health and safety concerns, sustainable measures are being explored at all Council ran operational buildings. The building's carbon footprint and energy usage is continuously being reviewed by the Council's Sustainability Officer. As part of the works, staff will be asked to cease using and remove any personal heaters from the building. These types of heaters have a large energy consumption.*

Background papers

Finance, Economic Development and Corporate Services Overview and Scrutiny: minutes 4th February 2020 :

<http://moderngovsvr:8080/ieListDocuments.aspx?CId=664&MID=3823#AI24066>

Council minutes dated 2nd March 2020:

<http://moderngovsvr:8080/ieListDocuments.aspx?CId=261&MID=3827>

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| Report Timeline: | Date decision due to be made | 27 July 2020 |
| | Call-in deadline | 4 August 2020 |
| | Date decision effective (subject to call-in) | 5 August 2020 |