



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Finance and Economic Overview and Scrutiny Committee

8th May 2024

Report of Councillor Richard Cleaver,
Deputy Leader and Cabinet Member
for Property and Public Engagement

Maintenance Strategy (Corporate Property Assets)

Report Author

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Purpose of Report

This report sets out the proposals for a Maintenance Strategy in respect of General Fund Corporate Property Assets. The Strategy will establish the approach the Council will adopt for ongoing investment in its corporate property estate.

Recommendations

The Finance and Economic Overview and Scrutiny Committee is asked to comment and review the draft Maintenance Strategy and the supporting Action Plan before it is presented to Cabinet for approval.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting communities Sustainable South Kesteven Enabling economic opportunities Housing Effective council
Which wards are impacted?	Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial implications of the delivery of the actions contained in the maintenance strategy will be considered as part of the annual budget setting process. It is acknowledged that the level of financial resources needed to deliver the maintenance requirements is not currently at a sufficient level in order to respond to the total backlog (as well ongoing maintenance responsibilities) so prioritisation criteria is necessary.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 It is good governance practice for a Local Authority to have an up to date Corporate Asset Management Strategy. No legal implications are identified in this report.

Completed by: Mandy Braithwaite, Legal Executive

Risk and Mitigation

- 1.3 It is important that the Council's property portfolio is properly maintained. Any risks that are identified will be managed in line with the risk management priorities identified within the Maintenance Strategy Corporate (General Fund) Property Assets.

Completed by: Tracey Elliott, Governance and Risk Officer

Health and Safety

- 1.4 There is a legal and duty placed on SKDC to ensure that the buildings for which it holds responsibility, including access, egress and any plant are, so far as reasonably practicable, safe or without risk of harm. In order to achieve this a full knowledge of the building condition will be required in addition to a regime of maintenance and statutory compliance inspections.

Completed by: Phil Swinton Health, Safety and Compliance Manager.

Climate Change

- 1.5 The Maintenance Strategy set out for Corporate Assets includes considerations for energy used in buildings, one of the top 4 areas included in the Council's carbon baseline. By ensuring that buildings are viewed as a corporate resource, it will be possible to ensure appropriate occupancy levels, improve efficiency and generate energy savings.

Completed by: Serena Brown Sustainability and Climate Change Manager

2. Background to the Report

- 2.1 The Council own and leases a high number of key strategic and operational assets that are integral to the successful delivery of quality services to residents and visitors to South Kesteven. It is imperative these assets receive regular investment in order to ensure they operate at optimum performance, meet statutory health and safety standards. However there is a recognition that the Council has not kept a consistent level of investment across its corporate property estate. As a consequence of this lack of investment in previous years will require the annual budgetary allocation for ongoing investment to be targeted based on the proposed criteria as set out in the draft Strategy.
- 2.2 A Maintenance Strategy is a comprehensive plan that outlines how the Council will manage its assets to minimise downtime, control maintenance costs and ensure optimal performance across the portfolio. It involves selecting, by utilising established criteria, the right combination of maintenance activities such as planned preventative, cyclical, predictive and reactive maintenance in order to extend the life of the asset, improve operational efficiency and improve reliability.

The criteria that will be used can be summarised as follows:

- Operational and strategic fit to Corporate Plan priorities
- Health and Safety and other statutory responsibilities
- Condition Rating

- 2.3 Each asset will be subject to a full and ongoing condition survey in order to assess the short, medium and long term maintenance requirements. Alongside this, each asset will be categorised to identify how it supports service delivery and the achievement of Council's Corporate Plan ambitions. This assessment may conclude that the asset is no longer required and can be declared surplus in order to avoid the Council incurring unnecessary costs. For those assets that demonstrate close alignment to delivery Council objectives, then the maintenance budget will be allocated accordingly. An Action Plan has also been developed in order to ensure the focus is targeted to progress the Strategy and is appended to the report.
- 2.4 The new suite of key performance indicators include a target to improve the Council's ratio of maintenance spend from reactive to planned. Achieving a higher proportion of planned maintenance spend improves value for money, significantly reduces service failure and enables the Council to control and manage its maintenance budget to maximise effect and achieve value for money.
- 2.5 It is recognised that the aim to move to an increase in planned maintenance is a medium-term ambition as a high number of General Fund assets have not received the level of investment that is required in order to ensure optimum performance over a number of years and therefore still require a high level of reactive spend. However the focus is now on reviewing the current spending patterns in order to determine the baseline position of maintenance spend between planned and reactive. From this analysis, the Strategy will be used to improve the ratio of planned spend.

3. Key Considerations

- 3.1 The key considerations are set out in the report.

4. Other Options Considered

- 4.1 A Maintenance Strategy is needed in order to provide a consistent framework for prioritising maintenance spend on the Council's General Fund property assets.

5. Reasons for the Recommendations

- 5.1 The reasons for the recommendation are set out in the report.

6. Appendices

- 6.1 Appendix A - Maintenance Strategy (inc. Asset Register)
Appendix B - Supporting Action Plan