



# Finance and Economic Overview and Scrutiny Committee

Tuesday, 18 February 2025

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

## Maintenance Strategy Action Plan Update - Corporate Property

### Report Author

Gyles Teasdale, Head of Property and ICT

 [g.teasdale@southkesteven.gov.uk](mailto:g.teasdale@southkesteven.gov.uk)

### Purpose of Report

This report provides a progress update on the implementation of SKDC's Maintenance Strategy Action Plan for Corporate (General Fund) Property Assets.

### Recommendations

**The Committee is asked to note the update on the implementation of SKDC's Maintenance Strategy Action Plan for General Fund Corporate Property Assets.**

### 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Does the report contain any exempt or confidential information not for publication?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  
Effective council

Which wards are impacted?

(All 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 Council has approved a funding allocation of £1m for the current financial and there is a budget request of a further £1m for 2025/26. This funding is allocated towards urgent works across the property portfolio and follows the criteria as set out in the Maintenance Strategy. The reports sets out the scale of challenge from a financial perspective and the Council will need to continue to review the asset portfolio in order to assess whether there are any assets currently held that are no longer deemed necessary.

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

### ***Legal and Governance***

- 1.2 This report is for noting; there are no additional governance comments that aren't already referred to within the report.

*Completed by: James Welbourn, Democratic Services Manager and Deputy Monitoring Officer*

### ***Health and Safety***

- 1.3 Under section 4 (**general duties of persons concerned with premises to persons other than their employees**) of the Health and Safety at Work Act 1974 it clearly states that there is a duty to maintain buildings, including safe access and egress

Where a person has, by virtue of any contract or tenancy, an obligation of any extent in relation to—

- (a)the maintenance or repair of any premises to which this section applies or any means of access thereto or egress therefrom; or
- (b)the safety of or the absence of risks to health arising from plant or substances in any such premises;

Section 2 of the Health and Safety at Work Act, along with associated legislation, including the Regulatory Reform Fire Safety Order 2005 and the Management of Health and Safety at work Regulations 1999 set out the legal responsibility for general & building safety for employees when at work / work premises. Planned

maintenance and active monitoring of stock condition, along with the reporting of faults by responsible building persons are key to improving effective compliance controls are in place

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

### **Climate Change**

- 1.4 The report notes some of the targeted investments which have resulted in reductions in energy consumption. While energy costs have been volatile and saw a sharp increase from 2021, they are now starting to stabilise and investments to reduce energy consumption will result in an ongoing utilities saving for the Council.
- 1.5 The Corporate (General Fund) properties addressed in this report are part of the Council's annual carbon reporting regime. Efforts to reduce consumption of gas and electricity, and to switch from gas to electricity consumption for heating, will result in carbon savings for the council.

*Completed by: Serena Brown, Sustainability and Climate Change Manager*

## **2. Background to the Report**

- 2.1. On the 10<sup>th</sup> of September 2024, Cabinet approved proposals for a Maintenance Strategy in respect of SKDC's General Fund Corporate Property Assets. [Agenda for Cabinet on Tuesday, 10th September, 2024, 10.00 am | South Kesteven District Council](#). The Strategy establishes the approach the Council will adopt for ongoing investment in its corporate property estate. It establishes a criteria for the allocation of funding to deal with maintenance – both responsive and planned.
- 2.2. The Council owns and leases a high number of key strategic, operational and non-operational assets that are integral to the successful delivery of quality services to residents and visitors to South Kesteven.
- 2.3. It is imperative these assets receive regular investment in order to ensure they operate at optimum performance and 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. Consequently, 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 Maintenance Strategy.
- 2.4. The criteria used within the Maintenance Strategy for properties were summarised as:

- Alignment to Corporate Plan priorities
- Health and Safety and other statutory responsibilities
- Condition ratings

2.5. The General Fund property portfolio is subject to a continuous review across the short-, medium- and long-term, with condition surveys taking place on a 5-yearly schedule. This is aligned with the Asset Management Strategy and would identify any obsolete or surplus buildings.

2.6. The Maintenance Strategy in respect of SKDC's General Fund Corporate Property sets out a Maintenance Action Plan (MAP) which is enclosed within this report in Appendix 1 – Maintenance Action Plan.

2.7 MAP 1 - In accordance with the MAP Action 1, Condition Surveys have been undertaken across all General Fund corporate assets to assess the physical condition of the buildings. This provides a physical assessment of the buildings to assess its maintenance and repair status at a specific point in time. The surveys categorise the condition of an identified building by applying a government approved rating system.

2.8 The condition rating provides advice of the overall condition of the element expressed as complying with one of four categories:

Grade	Expression	Description
A	Good	As new and performing as intended and with regular maintenance will continue to operate efficiently.
B	Satisfactory	Performing as intended but exhibiting minor deterioration.
C	Poor	Exhibiting major defects and/or not operating as intended and will require attention in the short term, although not immediate.
D	Bad	Life expired and/or serious risk of imminent failure.

2.9 The surveys have now been uploaded on to the Corporate Property Asset Management system, which will be used to develop annual programmes of works across the corporate property portfolio going forwards in line with the Maintenance Action Point 3. This process has taken longer than originally anticipated, due to changes in resource levels within the team, but upload has now completed for the latest round of surveys for the final corporate assets and programming of the identified works will be prepared over the coming month following a review of the information upload on the Property Asset Management system.

2.10 MAP 3 - the initial review of the Condition surveys has identified a significant backlog in maintenance issues across the corporate portfolio. Based upon the condition surveys there is anticipated backlog maintenance cost of £5,962,698 across the whole portfolio, with £3,290,612 attributable to leisure properties and

£2,672,086 to the remaining corporate property portfolio. The surveys also project a total maintenance cost across the portfolio of approximately £25,000,000 in the next 25-30 years.

2.11 The below table categorises the estimated backlog maintenance cost across the portfolio by condition rating C and D, where action is required.

Condition Rating	Corporate Property	Leisure Property	Overall
Cat D	£63,860	£162,270	£226,130
Cat C	£2,356,492	£2,999,505	£5,355,997

2.12 Based upon these estimated costs, a revenue budget bid of £1m has been requested to action works associated with the backlog maintenance in the 2025/26 financial year. It is recognised that this bid request is not sufficient to cover the whole of the Category D and C works across the portfolio and so these works will need to be prioritised accordingly.

2.13 Based on the estimated cost of Category C and D works identified in the condition surveys a maintenance programme is under development to schedule planned maintenance across the short-, medium- and long-term. Condition surveys will be refreshed on a 5 yearly basis to establish accurate and updated information forecasting predicted works for up to the next 25-30 years of each asset's life. This will then drive future works programmes and will feed into SKDC's asset strategy.

2.14 During the 24/25 financial year, allocation of £1m was provided to start to deal with the backlog maintenance works highlighted within the condition surveys. This spend has been allocated across the portfolio to tackle priority works around the portfolio.

2.15 The further £1m budget proposal for 2025/26 will seek further funding for tackling the backlog maintenance, the allocation will be targeted at those assets that are in urgent need of work or improvements. The allocation for any available funding will follow the Maintenance Strategy criteria as outlined in the Asset Maintenance Strategy.

2.16 MAP 2 & 6 Routine inspections and compliance inspections are now being undertaken across the corporate portfolio by SKDC officers, or third parties acting on behalf of SKDC, to monitor and update on any compliance or maintenance requirements as set out by Maintenance Action Points 2 and 6. The introduction of the new asset management system (Technology Forge) is enabling the Property Services team to schedule and review inspection requirements in order to ensure compliance across the portfolio.

2.17 The asset management system is still in the first phase of implementation; however, the inspection module is now live, and the team will continue to build

upon base information to develop a structured and transparent inspection regime for all corporate property requirements.

- 2.18 In addition to the inspection module, the asset management system has the ability to log help calls from relevant stakeholders in order to report and manage reactive maintenance across the portfolio.
- 2.19 While progressing the implementation of the new asset management system, it was identified that in order to implement the inspections module, asset details such as plant must be within the base system data, in order to schedule the routine inspections within the inspection module. This has led to the acceleration of the anticipated date of the asset tagging process.
- 2.20 MAP 4&5 - As detailed in MAP 4&5, works have been ongoing to review the sustainability and energy usage of the corporate property portfolio. Regular monthly meetings have been arranged with SKDC's Sustainability and Climate Change Officer to review those properties with the greatest energy consumption and identify ways for this to be reduced enhancing the sustainability of the corporate assets.
- 2.21 The below table provides an overview of the change in gas consumption levels across the corporate property primary consumers from 2023 to 2024.

Asset	2023 kwh	2024 kwh	% Change
Guildhall	481,514	349,432	-27.4%
Bourne Corn Exchange	270,497	195,864	-27.6%
Mowbeck House	223,005	285,227	27.9%
Stamford Arts Centre	173,056	189,624	9.6%
SK House	154,334	180,086	16.7%
Grantham bus station	58,933	82,429	39.9%
<b>TOTAL</b>	<b>1,361,339.00</b>	<b>1,282,662.00</b>	<b>-5.8%</b>

- 2.22 The General Fund portfolio of buildings for gas consumption comprises a handful of properties. The disposal of the former St. Peter's Hill offices and relocation of the SKDC offices to a new facility made a significant reduction in gas consumption pre-2023. The new offices in the Picture House are electrically heated, which delivers both cost and carbon emissions savings compared to the old facility.
- 2.23 Guildhall Arts Centre and Bourne Corn Exchange have both seen significant reductions in consumption from 2023 to 2024, largely due to boiler upgrades to the properties. Consumption at Mowbeck House and Grantham Bus Station increased in the same period; this is understood to be down to changes in operational arrangements.
- 2.24 Overall, there was a 5.8% decrease in gas consumption across the top consuming sites.

- 2.25 We are currently awaiting data from our energy provider to model the savings that have been produced from electrical sustainability works. The figures do not include leisure property usage as the utilities are in third party control.
- 2.26 MAP 7 - Works have been undertaken to visit and tag all primary plant and apparatus around the Corporate Property portfolio to detail what inspection requirements are needed. External resource was sourced to expedite the asset tagging process and upload this base information on the Corporate Property Asset Management system.
- 2.27 A review is now underway to ensure the accuracy of this base information and ensure the inspections scheduled are accurate to the requirements of the property. This action point has had to be prioritised; it became evident that without this information being inputted into the Asset Management system other Maintenance Action Points would have been delayed beyond their proposed timeline. This has meant that unfortunately there has been a delay to the progression of MAP 4.
- 2.28 MAP 8 - The Property Services team also continues to manage various investment properties which are let to external parties or organisations. Due to resource pressures the management of these properties has been outsourced to a managing agent (Eddisons, incorporating Banks Long & Co.) to act on behalf of SKDC with regards to its duties as a landlord.
- 2.29 As identified in MAP 8, regular inspections are undertaken by the managing agent on SKDC's behalf to monitor and enforce the lease terms with its tenants to ensure the upkeep and maintenance of SKDC's investment portfolio. These properties are regularly reviewed.

### **3. Key Considerations**

- 3.1. This report provides an update on the implementation of SKDC's Maintenance Strategy Action Plan for General Fund Corporate Property Assets.

### **4. Reasons for the Recommendations**

- 4.1 To note the progress associated with the Council's Maintenance Action Plan for SKDC's corporate properties.

### **5. Background Papers**

- 5.1. [Maintenance Strategy Corporate Property Assets.pdf](#)
- 5.2. [Leisure Maintenance Update.pdf](#)

## **6. Appendices**

### **6.1. Appendix 1 – Maintenance Action Plan**