

## ASSET MAINTENANCE - PLANNED PREVENTATIVE MAINTENANCE

Finance Advisory Committee - 15 November 2018

Report of Chief Finance Officer  
Chief Officer Environmental and Operational Services

Status For Information

Also considered by Cabinet - 6 December 2018

Key Decision No

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**Executive Summary:** This report details the results of recent asset maintenance surveys for Council owned buildings where the Council has maintenance liability responsibilities and recommends full consideration be given and the implications for the ten year budget plan.

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**This report supports the Key Aim of:** Effective management of assets.

**Portfolio Holder** Cllr. John Scholey

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**Recommendation to Finance Advisory Committee:** That it be recommended to Cabinet that the results of the Planned Preventative Maintenance Surveys be noted and be fully considered in a future budget report and the implications for the 10 year budget plan.

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**Reason for recommendation:** The surveys provide indicative maintenance liability costs for the Council's portfolio of buildings with maintenance liability responsibilities, for the next 20 years, and will assist in the planning of future maintenance programmes, and budgets, providing valuable information to allow informed decisions to be made about the Council's future occupation, ownership and use of several buildings.

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## Introduction and Background

- 1 From 2018/19 the Asset Maintenance budget for Council owned buildings was increased by £50,000 per annum, with the first years increase provided to undertake a planned maintenance register (PPM) for Council owned buildings, comprising the office, leisure assets, depots and other buildings where the Council holds a freehold interest and has maintenance liabilities.
- 2 Consultants were commissioned in 2018 to undertake this work for the following Council owned buildings and the reports have now all been received.
  - Council offices, Sevenoaks
  - Sevenoaks Leisure Centre
  - Edenbridge Leisure Centre
  - White Oak Leisure Centre, Swanley
  - Lullingstone Park Golf Club, Eynsford
  - Dunbrik Depot, Sundridge
  - Hollybush Depot, Sevenoaks
  - Shoreham Rangers Lodge
  - Shoreham Rangers Industrial Unit
  - The Lodge Café, Hollybush, Sevenoaks
  - Romany Way, Travellers Site, Hever Road, Edenbridge
  - Bradbourne MSCP, Sevenoaks
  - Glen Dunlop House, Sevenoaks
  - Sevenoaks Bus Station (Including public convenience)
- 3 The surveys schedule the maintenance obligations of the Council in respect of each building, and identified which areas were excluded from ongoing maintenance liabilities. Elements excluded were due to other parties having repair obligations based upon the lease interests.
- 4 The surveys identified 20 year planned preventative maintenance requirements for each building with the exception of the White Oak Leisure Centre, Swanley, where, due to its age and economic life, only a five year ongoing liability was identified.
- 5 The purpose of each PPM was to:-
  - Establish condition of the premises at the time of the survey
  - Assess and list current and future maintenance risks and liabilities, along with an estimated order of costs and timings/intervention points
  - Identify defects affecting health, safety and legal compliance
  - Identify signs of distress, early indication of failure and factors affecting the preservation of the building fabric and services.
- 6 Indicative costings include an allowance for design and contract administrative fees and statutory approvals but exclude VAT.

- 7 These estimated costs are included in a 20 year programme (with the exception of White Oak Leisure Centre) with year 1 identified as 2019.
- 8 The actual costs will be dictated by the timing and grouping of works when implemented and will be subject to change based on a number of factors, including the future life and use of the building.
- 9 No allowance has been made for inflation but normal contractors' preliminaries/ overheads and profits are included.
- 10 Condition ratings have been applied as follows:-
  - A. Good - In good condition, performing as intended and operating efficiently. No immediate significant maintenance or replacement necessary.
  - B. Satisfactory - Performing as intended but showing minor deterioration. Fair or serviceable condition. Maintenance or partial replacement needed.
  - C. Poor - showing major defects, in poor condition or reaching the end of its useful life. Comprehensive maintenance or replacement required. Not operating as intended.
  - D. Bad - Life expired and/or serious risk of imminent failure. In a hazardous condition. Maintenance needed to comply with health and safety and legal obligations.

### Summary of results

- 11 The total maintenance liability costs for 20 years, 2019-2038, amounts to £17,307,000. Excluding White Oak Leisure Centre, this is a yearly average liability of £780,000 per annum. The timing when the maintenance is actually undertaken will dictate the actual yearly spend over this period. However, delays to essential maintenance is likely to increase the costs in subsequent years.
- 12 The full 20 year programme for each building is summarised in Appendix A.
- 13 It should be noted that this report does not include asset maintenance liabilities for assets such as CCTV equipment; playground equipment; single surface car parks and sewage treatment plants which have separate annual budgets, and are not included in the budgets listed below.
- 14 Current asset maintenance budgets (2018/19)

<b>Building</b>	<b>£</b>
Argyle Road Offices	73,335
Countryside Buildings	8,319
Other corporate properties	32,413
Dunbrik and other Depots	39,107

Hever Road, Travellers site	37,501
Leisure Facilities	178,247
Additional Budget added in 2018/19	50,000
Total:	418,922

- 15 This current annual budget of £418,922 per annum represents 54% of the average year's liability of £780,000 identified in the survey reports.
- 16 This does not include day to day maintenance budgets for service costs and minor repairs which have separate budgets for the Argyle Road offices, car parks and some other buildings.
- 17 Conclusions
- 18 The report provides indicative maintenance liability costs for the Council's portfolio of buildings with maintenance liability responsibility for the next 20 years.
- 19 The actual spend per year will be dictated by the timing of the maintenance, however, delayed maintenance will add costs to future years expenditure.
- 20 It is recommended that where conditions are identified as C (Poor) or D (Bad) these maintenance liabilities are planned for early year maintenance or replacement.
- 21 The Council's asset maintenance budget represents 54% of the average yearly liability identified of £780,000.
- 22 The information contained in this report, as well as aiding in the planning of future maintenance programmes, and budgets, provides valuable information to allow informed decisions to be made about the Council's future occupation, ownership and use of several buildings.

## **Key Implications**

### Financial

The surveys identify 20 years' maintenance liability costs (2019-2038) of £17,307,000. Excluding White Oak Leisure Centre, this equates to a yearly average liability of £780,000 per annum.

Current asset maintenance budget totals £418,922 per annum which equates to 54% of the annual maintenance liability costs identified from the surveys.

### Legal Implications and Risk Assessment Statement.

The survey identifies the maintenance liabilities that fall on the Council. It excludes maintenance liability, due to lease arrangements, that fall on leaseholders.

The average costs per annum will be dictated by the timing and grouping of works when implemented and will be subject to change based on a number of factors, including the future life and use of the building. Delaying essential maintenance will add costs to future years' expenditure.

### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **Conclusions**

That it be recommended to Cabinet that the results of the Planned Preventative Maintenance Surveys be noted and be fully considered in a future budget report and the implications for the ten year budget plan.

### **Appendices**

Appendix A - Summary of 20 year maintenance programme for each building.

### **Background Papers**

PPM surveys  
S:\SDC\Central Services\Property\PPM Surveys

**Adrian Rowbotham - Chief Finance Officer**

**Richard Wilson - Chief Officer Environmental and Operational Services**