
Executive Decision

Boston Road (Phase 1) Roof Replacement

UPRN 0228

Boston Road (Phase 1) Units 10-40, Boston Road
Leicester, LE4 1AU

Decision to be taken by: City Mayor

Decision to be taken on: 24 June 2024

Lead director: Matthew Wallace

Useful information

- Ward(s) affected: Beaumont Leys
- Report author: Jennifer Bradbury, Acting Service Manager – The Corporate Estate
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- Report version number: FINAL

1 Summary

- 1.1 The purpose of the report is to gain approval to release the budget from the Corporate Estate policy provision to complete works to maintain Corporate Estate premises.
- 1.2 Budget will be used to finance works required to the Council's property portfolio; including works at Boston Road Industrial Units (Phase 1) and other assets as determined as a priority by the Director of Estates and Building Services.

2 Recommended actions/decision

- 2.1 The City Mayor is requested to release the £1.5m Corporate Estate policy provision into the capital programme for works to the Council's Corporate Estate. This will include the replacement of roof coverings at Boston Road Industrial Units and any other work deemed a priority by the Director of Estates and Building Services.

3 Scrutiny/stakeholder engagement

- 3.1 Full Council in February 2024 approved a policy provision be set aside for the Corporate Estate to support the council's property portfolio for emergency capital maintenance works.

4 Background

- 4.1 Leicester City Council Boston Road industrial estate was built in the early 1980s. The roof was guaranteed for a 25-year lifecycle and is now into its 43rd year. It has been patch-repaired over the last ten years; however, it is now at the end of its useful life and requires replacement.

- 4.2 The unit building construction is block and brick walls with an asbestos prefabricated sheet roof. The asbestos roofing material spans all units and has exceeded its serviceable life with repeated patch repairs not being economically viable. The asbestos is of an age where degeneration may occur, and it is recommended for health and safety purposes to replace using modern materials.
- 4.3 The Council's Chartered Building Surveyor and external roofing contractors have confirmed that the roofs are end of life, and no longer in a condition that makes it safe to access or viable to undertake further patch repairs. Repairs have in recent years had limited success in remedying water ingress for any reasonable period.
- 4.4 Replacing the roof will enable a spend to save programme of improved rents and service charges in line with the review cycle. A new roof will come with a guarantee of c.25 years.
- 4.5 The Corporate Estate portfolio is valued at circa £150m and requires ongoing capital works to ensure premises conditions do not deteriorate below acceptable standards and the overall value of the estate is protected. However, all premises have building elements that reach their end of their economic life and require replacement; on occasion, un-planned capital works are also required to the estate. The release of this policy provision will enable the Director of Estates and Building Services delegated authority to direct works on premises that are deemed a priority, urgent, and an emergency in nature.

5 Costs and Implications

- 5.1 As this Executive Decision is a publicly published document, all sensitive financial information is provided at Appendix A and has been marked – **Not for Publication**

6 Recommendation

- 6.1 **Release the policy provision to enable the roof replacement**
As a responsible landlord, the replacement lifecycle was 25 years, having gained 43 years use, replacement is the only reasonable course of action. The capital and the rental value of the asset will improve with the improved ability to lease out vacant units and review market rents.
- 6.2 Should any balance of the policy provision budget remain, The Director of Estates and Building Services to have the delegated authority to deploy the capital to priority works deemed urgent or an emergency.

7 Financial, legal, equalities, climate emergency and other implications

7.1 Financial implications

This report seeks approval to release £1.5m from the Corporate Estate policy provision for essential capital maintenance work. It is estimated that £1.14m (incl. VAT) will be for replacing the roof covering at the Boston Road Industrial Estate, including associated structural work, fees, surveys, contingency and risk allowance (c. £160k). The remaining c. £200k will be allocated to other essential capital maintenance work on the Corporate Estate as it arises.

There is a general requirement for the Council to maintain its assets, including for insurance purposes. This not only helps to maintain rental values but will also support reduced revenue costs from the avoidance of regular repairs.

Stuart McAvoy – Head of Finance

7.2 Legal implications

As owner of the property, the Council is responsible for the maintenance of the structure. Structural repairs will be the responsibility of a landlord (unless the heads of terms for each unit specifically stated that the tenant would be responsible). As a landlord responsibility, should the roof fail and cause damage or injury to a tenant or their equipment, then the Council, as landlord, would breach the tenants' right to quiet enjoyment of the property and the Council would be responsible for those damages and injuries. It is therefore in the Council's best interests to ensure the roof is safe and appropriately maintained. Contributions towards the costs can then be recovered from tenants under the service charge provisions within the respective leases.

Zoe Iliffe, Principal Lawyer,

7.1 Summary of Appendices

Appendix A – Financial Appraisal and recommended policy provision marked **Not for Publication**.

Is this a private report?

7.2 The general covering report is not confidential, but the specific financial details in Appendix A is considered exempt from publication. This is exempt information as defined in Paragraphs 3 of Schedule 12A of the Local

Government Act 1972, as amended. Appendix A is therefore marked “Not for Publication”.

7.3 Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

7.4 Is this a “key decision”?

No