

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 27 JANUARY 2010

#### NON-HOUSING AIM BUDGET 2010/11

#### 1 PURPOSE OF THE REPORT

- 1.1 To detail the work proposed to non-housing properties in order to maintain and service such buildings in 2010/11. The work financed from the Asset Improvement and Maintenance fund, referred to as AIM, is contained within the Council's overall revenue budgets.

#### 2 BACKGROUND

- 2.1 Following an examination of routine servicing and operational work, the gathering of historical information as to levels of reactive repair costs, an investigation of the property condition database priorities and the assembly and prioritization of Heads of Service property requirements, a budget was established as;

(A)	Routine Servicing and Maintenance	£	417,390
(B)	Operational Essentials	£	79,630
(C)	Reactive Repairs	£	498,560
(D)	Lease Repairs	£	53,840
(E)	Service Department Recharges	£	274,080
(F)	Service Priorities and contingency	£	191,500

**Total (Appendix G)**                    **£**                    **1,515,000**

- 2.2 The attached **Appendices A to F** provide further breakdowns of the above categories, detailing the properties involved, the projects and servicing works along with an estimated budget required. Further explanation is provided in the text below.

#### ANNUAL COMMITMENTS

#### 2.3 Routine Servicing and Maintenance (Appendix A)

Appendix A lists all identified work needed to inspect, service and maintain plant, equipment, controls, monitoring devices and certain structures. The work is required annually to ensure plant, equipment and certain structures are maintained in a fully operational and safe state. The costs listed are based upon historical cost information updated for either operational (due to changes in testing regulations) or inflationary increases.

The 2010/11 budget now encompasses a specific budget in respect of legionella protection measures and also combines previously separate budgets for electrical fixed installation testing and repairs, this has been implemented to facilitate improved financial control.

## **2.4 Operational Essentials (Appendix B)**

Appendix B details budgeted amounts for property and plant and equipment repairs that, although monitored by the AIM Group, are administered by certain Heads of Service. The appropriate Head of Service will utilise budgets to ensure that property and plant are in good working order thus ensuring that efficient and effective service delivery is assured.

## **2.5 Reactive Repairs (Appendix C)**

Appendix C details budgets required to finance reactive repair works that may arise in the financial year, the budgets have been set by taking account of expenditure on reactive repairs in previous years.

The repairs have been placed in categories of property family to indicate the levels of expenditure normally incurred. The expenditure is closely monitored over the year to examine whether the budget allocated is a fair reflection of the financial resource needed.

## **2.6 Lease Repairs (Appendix D)**

The annual property condition survey highlights potential problem areas in respect of leased properties, in addition there are various other periodic checks carried out during the year. Often there are further works needed that may not have been identified through the annual property condition survey, so it can be a difficult task to accurately quantify the full extent of the lease liabilities in each particular year.

The 2010/11 lease repair budget has been set at the expected level of financial resource needed to enable the necessary condition surveys and periodic checks to be carried out and also to cover any repair and maintenance work required to enable individual properties to be maintained to the required lettable condition.

## **2.7 Service Department Recharges (Appendix E)**

This represents the cost of the staff resources required to programme, organise, tender, instigate, supervise, control, monitor and settle accounts in respect of the work proposed for non-housing AIM projects. The budget reflects the amount of Contracts and Direct Services and Engineering and Construction staff resources needed to deliver the work programme.

### **PRIORITIZED WORK PROGRAMME**

## **2.8 Service Priorities (Appendix F)**

As part of the exercise to alleviate the financial pressures that are facing the Council next year the AIM group has identified various savings within the 2010/11 AIM budget. The large majority of these savings have been made on the service priorities element of the budget. The result of the savings exercise is that fewer service priorities have been set for 2010/11.

It has been recognised that, with a reduced programme of planned refurbishment work, it is likely that other unforeseen or unplanned work will become essential through the year. Therefore an increased contingency budget has been set to allow for meeting such demands as they arise where work is considered essential.

Appendix F lists the service priorities identified by the AIM group as the most needed and/or most urgent and were subsequently agreed by SMT.

### **3 PROPOSALS**

- 3.1 It is proposed that the sum of £1,515,000 be set aside, from total resources available, to carry out necessary works listed above and in appendices A to F attached to this report in respect of non-housing property service and maintenance work, operational essentials, reactive repairs, lease repairs, service department recharges and service priorities.

### **4 RECOMMENDED**

- (1) that the Committee note that the sum of £1,515,000 has been split into the categories of work in the year 2010/11 as outlined in this report.

HEAD OF CONTRACTS AND DIRECT SERVICES

HEAD OF TREASURY SERVICES

HEAD OF ESTATES SERVICES

Originator: Mel Jones

S:LP/committee/110SCR1  
7.1.10

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)**

**Background papers used in compiling this report:**

None