

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
24 MARCH 2010

AIM PROPERTY MAINTENANCE PROGRESS REPORT 2009/10

1 PURPOSE OF THE REPORT

- 1.1 This is the third quarterly report, covering the period from October to December 2009. (but including updated figures at 12 February 2010). The report details the financial position of the £7.4m programme of reactive and planned property maintenance and refurbishment. This report covers just revenue funded housing and non-housing schemes as approved by Council for the financial year 2009/10. In some cases this programme further includes budgets for schemes rolled forward from 2008/09. Where necessary this report will provide specific details on significant programme variations.

2 BACKGROUND

- 2.1 The Council approved the following:

	£	
Housing budgets		
(a) Housing Reactive Repairs	4,335,960	
(b) Housing Servicing Contracts	700,650	
(c) Housing Maintenance Works	<u>478,500</u>	£ 5,515,110
Non-housing budgets		
(d) Service Recharges	270,030	
(e) Lease Requirements	98,840	
(f) AIM Priority Programme	561,080	
(g) AIM Reactive Repairs - General	513,710	
(h) AIM Service Contracts	337,390	
(i) AIM Operational Essentials	<u>78,260</u>	£ 1,859,310
Total		<u>£ 7,374,420</u>

- 2.2 The current level of spending against the specifically monitored budgets in 2009/10 above presently indicates overspend of some £97,000 overall (1.3%), which has been effectively sustained in non-housing programmes.

A copy of the full financial monitoring report is available on the Intranet.

HOUSING

2.3 Housing Reactive Repairs Generally – overall budget £4,335,960

This budget is split into eight separate parts in order to better raise and monitor orders and control work and costs. As all these provisions are for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. Whilst some of these separate parts indicate individual overspend, based on the present rate of spending due to a general increase in the cost of repairs and an increased amount of reactive repair orders issued, nevertheless such overspend will effectively be negated by use of contingency funds allocated for Housing Services.

2.4 Gas and Central Heating Servicing – budget £530,450

This budget is set to provide the statutory requirement to inspect and service gas appliances in tenanted properties on an annual basis. Over time, whilst the actual cost in carrying out such servicing work has risen, costs have also risen due to the increasing numbers of gas appliances fitted as a result of the extensive central heating installation programme. Whilst the present rate of spending suggests that overspend in the order of £90,000 is likely, such overspend is compensated and effectively negated by savings on other servicing and maintenance contracts and by the use of contingency sums.

NON-HOUSING

2.5 City Wall Repairs – budget £33,770

This budget was rolled forward from 2008/09 for remaining monies to be paid for necessary repairs to the City Wall at various locations. In the event, the extent of repairs proved more than was envisaged when the original budget was set. Consequently overspend in the order of £15,000 has been incurred.

2.6 Canal Bank Underpinning at Welcome Inn – budget £4,950

This budget was rolled forward from 2008/09 for remaining monies to be paid for this already mostly completed work. Before final completion some additional works were found to be required to the top of the canal bank to prevent vehicles falling into the canal. In the event when final costs were agreed they exceeded the provision made, so overspend of some £7,000 has occurred.

2.7 Non-Housing Reactive Repairs Generally – overall budget £513,710

This budget is split into twelve separate parts in order to better monitor work and allocate costs across services. As all these provisions are for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. Further, as budget provisions for planned property improvements were deliberately and strictly limited in 2009/10 this action has put more pressure on set reactive budgets to deal with problems arising through the year that demanded urgent repairs be carried out. So presently five of these part budgets indicate overspend this year, with the largest overspend arising from the cost of parks and leisure repairs. Whilst instructions have been given such that future reactive repair work is to be strictly prioritised in the remaining part of the year, nevertheless, at the present spending rate overspend of some £124,000 is potentially to be sustained this financial year.

2.8 Operational Essentials Generally – overall budget £78,260

This budget is split into four separate parts in order to properly allocate requisite amounts to certain facilities. This allows facility managers to have transparent financial support to enable them to more quickly and easily organize repair and maintenance issues to keep facilities open and safe for the public. Again, repair issues are difficult to predict and therefore financial provisions can prove to be adequate or less so. Consequently one of these budget parts, specifically relating to the Canal provision is overspent by some £5,000.

3 RECOMMENDED

- (1) that the third quarter financial position of the £7.4m programme of reactive and planned property maintenance and refurbishment for 2009/10, as detailed above be noted.

HEAD OF CONTRACTS AND DIRECT SERVICES
HEAD OF HOUSING
HEAD OF ESTATES
HEAD OF TREASURY SERVICES

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

None