

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
1 JUNE 2010**

**SCRUTINY COMMITTEE - RESOURCES
16 JUNE 2010**

AIM PROPERTY MAINTENANCE OUTTURN REPORT 2009/10

1 PURPOSE OF THE REPORT

- 1.1 This is the fourth quarterly/outturn report, covering the period from January to March 2010 (but including updated figures at 30 April 2010). The outturn report details the financial position of the £7.4m programme of reactive and planned property maintenance and refurbishment at the end of 2009/10 but before final closure of accounts so it is possible that some changes to the financial position reported here may yet take place. 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 provides specific details on significant programme variations below.

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 level of spending against the specifically monitored budgets in 2009/10 above indicates that despite overspend in several areas, overall underspend of some £78,000 (-1%) has been accrued, effectively in the non-housing programme.

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 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 spending brings overspend in the order of £49,000, such overspend is compensated and effectively negated by savings on other servicing and maintenance contracts and by the use of contingency sums.

2.5 Door Entry systems – budget £49,170

This budget is set annually to cover costs involved in the maintenance to these systems that restrict access to communal housing properties. This year, due to the need for more repair works than expected when the budget was set, maintenance costs have exceeded budget by some £6,000. However such overspend is again compensated by savings elsewhere in the housing maintenance programme.

NON-HOUSING

2.6 Fees – budget £270,030

This budget is set annually to cover the design and development costs involved in Contracts and Direct Services and Engineering and Construction to deliver the programme of non-housing projects. This budget was reduced in 2009/10 from the level set in previous years. This year however costs have exceeded the provision by some £60,000 due to the resource demands placed on services to deliver projects. Nevertheless savings on actual project work compensate for the extra costs incurred here.

2.7 City Wall Repairs – budget £33,770

This budget was rolled forward from 08/9 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 £6,000 has been incurred.

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

This budget was rolled forward from 08/9 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 £6000 has occurred.

2.9 Non-Housing Reactive Repairs General and Specific – 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 five of these part budgets show overspend this year, with the largest overspend arising from the cost of parks and leisure repairs. Nevertheless other budgets here show savings to compensate for overspend to so reduce the overspend to some £65,000.

2.10 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, whilst overall this budget was not overspent, two of these budget parts, specifically relating to the Canal and Unoccupied Property provisions were overspent by some £8,000 and £3,000 respectively.

3 RECOMMENDED

- (1) that the outturn 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

S:PA/LP/ Committee/610SCC11
18.5.10

COMMUNITY & ENVIRONMENT DIRECTORATE

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

None