

# EXETER CITY COUNCIL

## SCRUTINY COMMITTEE – RESOURCES

26 JANUARY 2011

### NON-HOUSING AIM BUDGET 2011/12

#### 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 2011/12. 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 and the assembly and prioritisation of Heads of Service property requirements, a budget was established as;

(A)	Routine Servicing and Maintenance	£	441,980
(B)	Operational Essentials	£	82,020
(C)	Reactive Repairs	£	513,540
(D)	Lease Repairs	£	55,450
(E)	Service Department Recharges	£	343,650
(F)	Service Priorities and contingency	£	185,500

**Total (Appendix G)**      **£**      **1,622,140**

- 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 specific structures. The work is required annually to ensure plant, equipment and specific structures are maintained in a fully operational and safe state. The costs listed are either based upon historical cost information updated for either operational (due to changes in testing regulations) or inflationary increases, or for where new plant has been fitted and is now out of warranty.

The 2011/12 budget now includes provisions for resuming responsibilities for servicing and maintenance work, outside warranty agreements, following completion of the RAMM project. Provision has also been made in this year for periodic maintenance to City Wall in respect of removal of damaging plant growth and for periodic inspection and preventive maintenance to public car park ventilation fans.

## **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 and controlled throughout the year to ensure spending is targeted to mainly urgent and essential repair work. Similar monitoring provides evidence to consider whether the budget allocated remains 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 2011/12 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.

## **PRIORITISED WORK PROGRAMME**

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

As part of the exercise to alleviate the financial pressures facing the Council next year the AIM group, in consultation with Heads of Service, conducted a vigorous prioritisation of requests for projects from services. This prioritisation process effectively limited the amount of service priorities to those that were considered only either urgent or essential.

It is 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 a contingency budget has again been set to allow for meeting such essential work demands as they arise. Nevertheless, this contingency budget has been reduced by some 40% from that set in 2010/11.

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

### **3 PROPOSALS**

- 3.1 It is proposed that the sum of £1,622,140 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 £1,622,140 has been split into the categories of work in the year 2011/12 as outlined in this report.

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

COMMUNITY & ENVIRONMENT DIRECTORATE

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

None