

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 MARCH 2011

#### AIM PROPERTY MAINTENANCE PROGRESS REPORT 2010/11

## 1 PURPOSE OF THE REPORT

- 1.1 This is the third quarterly report, covering the period from October to December 2010 (but including updated figures at 14 February 2011). The report details the financial position of the £7.6m programme of reactive and planned property maintenance and refurbishment. It covers just revenue funded housing and non-housing schemes as approved by Council for the financial year 2010/11. In some cases this programme further includes budgets for schemes rolled forward from 2009/10. Where necessary the report provides specific details on significant programme variations.

## 2 BACKGROUND

- 2.1 The Council approved the following:

|                                    | £              |                           |
|------------------------------------|----------------|---------------------------|
| <b>Housing budgets</b>             |                |                           |
| (a) Housing Reactive Repairs       | 4,859,700      |                           |
| (b) Housing Servicing Contracts    | 691,300        |                           |
| (c) Housing Maintenance Works      | <u>430,000</u> | £ 5,981,000               |
| <b>Non-housing budgets</b>         |                |                           |
| (d) Service Recharges              | 274,080        |                           |
| (e) Lease Requirements             | 53,840         |                           |
| (f) AIM Priority Programme         | 292,130        |                           |
| (g) AIM Reactive Repairs - General | 526,380        |                           |
| (h) AIM Service Contracts          | 401,140        |                           |
| (i) AIM Operational Essentials     | <u>79,630</u>  | £ 1,627,200               |
| <b>Total</b>                       |                | <b><u>£ 7,608,200</u></b> |

- 2.2 The current level of spending against the specifically monitored budgets in 2010/11 above presently indicates an overall underspend. Whilst there are some minor savings amounting to £5k predicted on non-housing schemes the vast majority of the £1.2m projected underspend arises from housing work.

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

## HOUSING

### Housing Reactive Repairs generally – combined budget £4,859,700

- 2.3 This budget is split into eight separate parts in order to better raise and monitor orders and control work and costs. As all these separate provisions are essentially for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. However, based on the present rates of spending, whilst some overspend is likely to arise against the budget provision for gas equipment

replacements, such overspend is predicted to be more than compensated by underspends elsewhere within this combined budget.

- 2.4 In particular it was budgeted that a revenue contribution of £1.765m would need to be made towards financing the HRA Capital Programme. However, it is now forecast that a revenue contribution of only £1.050m will be required thereby showing an underspend of £715k.
- 2.5 This underspend effectively arises from a significant reduction in spending in the HRA Capital Programme in 2010/11. The reduction is mostly attributable to delays to the kitchen replacement and central heating programmes as a result of the incumbent main contractor being placed into administration, which has subsequently led to delays in both programmes due to the need to retender the work. This budget is being deferred until next year such that the programmed work can be completed.
- 2.6 With reduced spending also predicted in General Maintenance and Empty Property repairs, the consequent prediction at this time is that an overall underspend of just under £1.2m will occur for this combined budget at year end.

## **NON-HOUSING**

### **Mill Leat Wall Repairs – budget £13,000**

- 2.7 This budget was set to repair a council owned stone wall separating private gardens from the leat. The wall had completely collapsed in one position and was crumbling in other adjacent parts which established a potential hazard for the private occupiers. The work has been completed at a value of some £27,000. However, for transparency, whilst the full cost of the repairs have been set against the budget, bringing a £14,000 overspend, provision has been arranged such as to negate this overspend by using £9,000 from contingency funds and through receiving a contribution of £5,000 from the Countryside Services operational budget.

### **Legionella risk prevention – budget £8,000**

- 2.8 This budget was set for necessary improvements to water bearing systems to either eliminate completely, or critically reduce, the potential for the spread of legionnaires disease. This budget has overspent because of the previously unforeseen, but otherwise necessary, work that has arisen following the conducting of risk assessments. Whilst an overspend of some £36,000 is presently indicated, there are potential savings to be made in servicing and maintenance budgets later in the year which should compensate for part of this overspend.

### **Canal Special Works – budget £29,990**

- 2.9 This budget is set for larger repair or project works in order to maintain the efficient running of the canal and the canal service. This year additional costs in extensive repairs to the canal bank and the installation of a customer facility computerised metering system have contributed to an overspend of some £5,000. However this overspend is likely to be absorbed by anticipated savings elsewhere in non-housing budgets

### **Canal Operational Essential Works – budget £24,440**

- 2.10 This budget is set each year to finance works of a minor repair and replacement nature in order to maintain the canal services operated for customers. This year the cost of repairs and other financial demands on the service have meant an overspend of some £14,000 is anticipated. Nevertheless, as above, this overspend can be absorbed by anticipated savings elsewhere in non-housing budgets

### **3 RECOMMENDED**

- (1) that the third quarter financial position of the £7.6m programme of reactive and planned property maintenance and refurbishment for 2010/11, as detailed above be noted.

HEAD OF CONTRACTS AND DIRECT SERVICES  
ACTING HEAD OF HOUSING  
ACTING 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