

**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - RESOURCES**  
**25 JANUARY 2012**

**NON-HOUSING AIM BUDGET 2012/13**

**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 2012/13. 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 a thorough examination of routine servicing and operational work, the gathering of historical information as to levels of reactive repair costs and the assembly and prioritization of Heads of Service property requirements, a budget for 2012/13 was established as;

(A)	Routine Servicing and Maintenance	£	516,300
(B)	Operational Essentials	£	74,760
(C)	Reactive Repairs	£	528,950
(D)	Lease Repairs	£	57,125
(E)	Service Department Recharges	£	353,960
(F)	Service Priorities and contingency	£	61,730

**Total (Appendix G)**      **£**      **1,592,825**

This budget reflects a reduction of £69,875 from 2011/12 budget.

- 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 previously, not separately identified, servicing and maintenance regimes have now been taken into account.

Consequently the proposed 2012/13 budget has increased from the previous year by some £74,000. Changes include provision for resuming full responsibilities for servicing and maintenance work, outside warranty agreements, for RAMM along with now identified costs for maintaining anti-climbing paint and regular gutter cleaning to various properties and radon monitoring in Underground Passages. This budget has also increased due to the need to properly designate periodic canal lock gate diver inspections as a servicing and maintenance regime rather than an Operational Essential. Nevertheless in this case, a corresponding reduction in the Operational Essential budget for 2012/13 has been made to reflect this change.

#### **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 currently administered by certain Heads of Service. The appropriate Assistant Director/Corporate Manager will utilise budgets to ensure that property and plant are in good working order thus ensuring that efficient and effective service delivery is assured. The budgets set here include for projected inflationary increases and for the transfer of budget to servicing and maintenance as referred to above. Nevertheless this budget has reduced from 2011/12 levels by some £7,800.

#### **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 and projected inflationary increases. Overall the budget has increased by some £15,000 from 2011/12 levels.

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)**

Property condition surveys highlight potential problem areas in respect of leased properties, in addition there are various other periodic checks carried out during the year. Often further works arise throughout the year, not specifically identified through the 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 2012/13 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. The budget for 2012/13 features a minor increase of some £1600.

#### **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 this non-housing AIM programme. The budget reflects an estimate of the amount of Contracts and Direct Services and Engineering and Construction staff resources projected as needed, at the outset, to deliver the identified work programme. This can only be an estimate at the outset because complexities may arise as associated work demands become clearer, so involving increased staff time. For 2012/13 this budget has been increased by some £10,000.

## **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 substantially 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 budget overall has been reduced by some £164,000 from that set in 2011/12.

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 £1,592,825 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 £1,592,825 has been split into the categories of work in the year 2012/13 as outlined in this report.

HEAD OF TREASURY SERVICES  
HEAD OF ESTATES SERVICES  
ACTING HEAD OF HOUSING SERVICES

COMMUNITY & ENVIRONMENT DIRECTORATE

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

None