

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 29 MAY 2012

SCRUTINY COMMITTEE - RESOURCES 20 JUNE 2012

HOUSING AND AIM PROPERTY MAINTENANCE OUTTURN REPORT 2011/12

1 PURPOSE OF THE REPORT

- 1.1 This is the fourth quarterly/outturn report, covering the period from January to March 2012 (but including updated figures at 10 May 2012). The outturn report details the financial position of the £7.5m programme of revenue funded reactive and planned property maintenance and refurbishment at the end of financial year 2011/12 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 2011/12. In some cases the programme also includes unspent budgets for schemes rolled forward from 2010/11. Where necessary the report provides specific details on significant programme variations.

2 BACKGROUND

- 2.1 The Council approved the following:

	£	
Housing budgets		
(a) Housing Reactive Repairs	4,724,780	
(b) Housing Servicing Contracts	668,420	
(c) Housing Maintenance Works	<u>430,000</u>	£ 5,823,200
Non-housing budgets		
(d) Service Recharges	343,650	
(e) Lease Requirements	55,450	
(f) AIM Priority Programme	225,500	
(g) AIM Reactive Repairs - General	513,540	
(h) AIM Service Contracts	441,980	
(i) AIM Operational Essentials	<u>82,580</u>	£ 1,662,700

Total £ 7,485,900

- 2.2 The current level of overall spending in 2011/12 on budgets identified above indicates a predicted saving of some £2 million which equates to 28% on the total budget. This position arises from £1.8 million saving in housing budgets and a £245,000 saving from non-housing work.

A copy of the full financial monitoring report is available in the Members' room, on the Council's website or available on request.

HOUSING

Housing Reactive Repairs generally – combined budget £4,724,780

- 2.3 This budget is split into eight separate budgets in order to better raise and monitor orders and control work so attempting to balance costs between the eight. 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. Spending within these Housing Reactive Repairs budgets present some significant overspend, particularly in respect of General Maintenance repairs (£130k) and Empty Properties (£250k). However, as the budget here set for Revenue Contribution to Capital projects will not be required this year, due to already posted savings in the separately accounted and reported 2011/12 Housing capital programme then overall, a saving of some £1.9 million accrues against this combined budget.

Housing Servicing and Maintenance work generally – combined budget £1,098,420

- 2.4 This combined budget covers 13 separate areas of work. The individual budgets are set to deal with mainly planned servicing and maintenance regimes in order to retain property in both a safe and acceptable condition. Despite this work being essentially planned at the outset each year, issues may arise that demand extra unplanned work be carried out so extra costs arise. Costs against this combined budget overall shows overspend of some £97,000. This overspend is driven by costs for necessary Legionella Testing regimes in communal areas (£44k) and the need for specific demolition work in Chestnut Avenue (£66k), both where no budget provisions were separately identified in the 2011/12 programme. In terms of legionella testing a separate budget has already been set for such work in 2012/13.

NON-HOUSING

Non-Housing Reactive Repairs generally – combined budget £513,540

- 2.5 This budget is split into eleven separate parts in order to better raise and monitor orders and control work and costs. As all these separate provisions are for works of a reactive nature it is difficult to plan or predict the extent or pattern of likely expenditure in the year. However, whilst spending indicates some overspend has arisen against the budget provisions for Museums and Leisure facility repairs, such overspend is more than compensated by underspend elsewhere within this combined budget.

Canal Operational Essential Works – budget £25,170

- 2.6 This budget is set each year to finance works of a repair and replacement nature in order to maintain the canal services operated for customers. This year, unforeseen additional costs in the order of £15,000 have been sustained in carrying out necessary extensive repairs to lock gates and remedial works due to a sewage overflow and this has been the major cause of the overspend. Nevertheless such overspend has been compensated by savings elsewhere in non-housing budgets

3 RECOMMENDED

- (1) that the outturn financial position of the £5.8m programme of revenue funded housing reactive and planned property maintenance and refurbishment for 2011/12 as detailed above be noted.
- (2) that the outturn financial position of the £1.7m programme of revenue funded non-housing reactive and planned property maintenance and refurbishment for 2011/12 as detailed above be noted.

ASSISTANT DIRECTOR HOUSING AND CONTRACTS
ASSISTANT DIRECTOR ECONOMY
ASSISTANT DIRECTOR FINANCE

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

None