

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 20 MARCH 2013

AIM PROPERTY MAINTENANCE PROGRESS REPORT 2012/13

1 PURPOSE OF THE REPORT

- 1.1 This is the third quarterly progress report, covering the period from October to December 2012 (but including updated figures as at 11 February 2013). The report details the financial position of the £7.9m programme of reactive and planned property maintenance and refurbishment. This report covers just Revenue funded housing and non-housing schemes as approved by Council for the financial year 2012/13. In some cases this programme further includes budgets for schemes rolled forward from 2011/12. Where necessary this report provides specific details on significant programme variations.

2 BACKGROUND

- 2.1 The Council approved the following:

| | £ | |
|------------------------------------|---------------------------|-------------|
| Housing budgets | | |
| (a) Housing Reactive Repairs | 4,689,330 | |
| (b) Housing Servicing Contracts | 724,040 | |
| (c) Housing Maintenance Works | <u>844,600</u> | £ 6,257,970 |
| Non-housing budgets | | |
| (d) Service Recharges | 322,590 | |
| (e) Lease Requirements | 100,130 | |
| (f) AIM Priority Programme | 129,930 | |
| (g) AIM Reactive Repairs - General | 528,950 | |
| (h) AIM Service Contracts | 516,300 | |
| (i) AIM Operational Essentials | <u>77,260</u> | £ 1,675,160 |
| Total | <u>£ 7,933,130</u> | |

- 2.2 The current level of spending against the specifically monitored budgets in 2012/13 above presently indicates that overspend of some £2.1m is expected, solely from financial predictions made in respect of Housing Revenue budgets.

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

2.3 HOUSING

Housing Reactive Repairs generally – combined budget £4,689,330

This budget is split into nine separate budgets in order to better raise and monitor orders and control work and costs. As these separate provisions are essentially allied to works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. However, two areas of overspend have been identified in 2012/13. Firstly it is predicted that Revenue Contribution to Capital will increase

beyond budget provision by some £2m to meet the requirements for programmed kitchen, bathroom and asbestos work and for the acquisition of social housing at Dean Clarke House, all as approved by Executive on 18 September 2012. Secondly some £100,000 overspend is predicted as likely to arise against the budget identified for Empty Properties. This being due partly, as a result of a large number of voids arising in the first two quarters of the year and partly because of the agreed increase in Void Standard quality following tenant consultation.

NON-HOUSING

Non-Housing Reactive Repairs Generally – combined budget £528,950

- 2.4 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 present spending rate indicates that some overspend is projected against the budget provisions for Livestock/Corn Exchange and Policy Properties facility repairs, such overspend is more than compensated by underspend elsewhere within this combined budget.

Legionella Risk Assessments – budget £75,990

- 2.5 This budget is set each year to provide for the necessary identification and assessment, by local authorities, of the risk of exposure to legionella bacteria from work activities and water systems and for any resulting precautionary measures needed. This need is driven by Health and Safety Executive Approved Code of Practice in relation to the control of legionella bacteria in water systems. This year some new sites for investigation have been identified and further preventative work has also been called for resulting in the 2012/13 budget being insufficient for the work now demanded. Consequently overspend of some £14,000 is likely to be sustained. Nevertheless this value of overspend will be compensated by savings likely to be made in other non-housing budgets.

Car Parks Operational Essential Works – budget £26,810

- 2.6 This budget is set each year to finance works of a repair and replacement nature in order to maintain the car park services operated for customers. This year, unforeseen additional costs in the order of £8,000 are likely to be sustained partly due to drainage repair works at Mary Arches car park. Nevertheless such overspend is likely to be compensated by savings achieved elsewhere in non-housing budgets

3 RECOMMENDED

- (1) that the third quarter financial position of the £7.9 m programme of reactive and planned property maintenance and refurbishment for 2012/13 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