

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
19 JUNE 2013

AIM PROPERTY MAINTENANCE OUTTURN REPORT 2012/13

1 PURPOSE OF THE REPORT

1.1 To advise Members of the outturn position on the non-housing Property Maintenance revenue budget for 2012/13 as monitored by the Asset Improvement and Maintenance (AIM) Group.

2 BACKGROUND

2.1 This report details the financial position of the £1.68m programme of reactive repairs and planned maintenance and refurbishment to non-housing property as carried out in 2012/13 financial year.

2.2 The table below details both the budgets approved for the various categories of work and the level of spending against such budgets including specific work related roll forward. However, the spending below is that available to report before the closing of accounts and so is likely to still be subject to some change.

	BUDGET £	PROJECTED ACTUAL EXP 2012-13	ROLL FORWARD INTO 2013-14	OUTTURN £
SERVICE RECHARGES	322,590	273128	0	(49462)
LEASE REQUIREMENTS	100,130	62000	30000	(8130)
AIM PRIORITY PROGRAMME	129,930	39000	5000	(85930)
AIM REACTIVE AND OPERATIONAL ESSENTIALS	606210	428925	2000	(175285)
SERVICE CONTRACTS	516,300	475,898	40402	0
TOTAL NON-HOUSING REVENUE	1,675,160	1278951	77402	(318807)

2.3 The projected spending indicates that a saving in the order of £319,000 will be made against the budget in 2012/13. This saving arises in the main from reduced Contracts and Engineering service recharges, the sale of Rougemont House, savings against contingency provision, and stricter budgetary control and prioritisation and less reactive repair need arising in this financial year. As a result, the 2013/14 budget was set at £1,419,920, a reduction of 15% on 2012/13. Explanation of the expenditure in each category is set out below.

Service Recharges – budget £322,590

2.4 This budget is set each year to cover the cost of departmental recharges, or staff “fees”, for work carried out by Contracts or Engineering in respect of preparation of contracts and supervision of work on site. This year fee charges have been less than the budget provision originally made. This reduction will be reflected in a reduced provision for 2013/14 of some £215,000.

Lease Requirements – budget £100,130

2.5 This budget is set each year to meet contractual requirements where council-owned property is leased, in the main, to businesses. The budget also includes a relatively small provision to cover the cost of regulatory safety checks when property is

vacated and prior to re-letting. Despite the need to roll forward some £30,000 in respect of planned work to property in Stepcote Hill and for urgent refurbishment work to 88 Alphington Road, there is still saving of some £8,000 this year mainly due to a reduced need for reactive property checks in 2012/13. The budget provision for 2013/14 has been set at a significantly lower value of £52,950.

AIM Priority Programme – budget £129,930

- 2.6 This budget is for mainly one-off project work as raised by facility managers and prioritised by AIM. The budget further includes a contingency to cover for those unexpected but urgent necessary works that can arise throughout the year. Despite the need to roll forward some £5000 in respect of work still required to St Catherine's Almshouses in 2013/14, in 2012/13 savings accrued because works at Rougemont House were not required because of the decision taken to market the property for sale, saving some £38,000. Further, the contingency for unplanned urgent work did not arise, saving some £37,000. To reflect the trend here the budget provision for 2013/14 was reduced to £104,000.

Reactive Repairs and Operational Essentials– combined budget £606,210

- 2.7 This budget is set each year for repairs and maintenance work across the variety of non-housing council property assets, which is often urgent and unplanned but necessary to either maintain services to the public or to prevent further deterioration of the property asset. The budget is split down into 15 types of property asset, for example, car parks, environmental health property, museums, canal and commercial property. This year, whilst there was a need to roll forward some £2000 for remaining expenditure needed in respect of repair works to Topsham Cottage water supply there was also some relatively small overspend on some asset types, that being principally Museums, Policy property, Canal and Car parks. However, such overspend was more than compensated by savings elsewhere. As a reflection of the spend pattern in 2012/13 the budget provision for 2013/14 was reduced to £555,500.

Service Contracts – budget £516,300

- 2.8 This budget is set for identified required work in terms of necessary annual servicing and maintenance regimes to comply with health and safety regulations or industry recommended good practice. The budget is split into 44 separate budgets for a diverse variety of work such as roller shutter door maintenance, gutter cleaning, electrical checks, testing of fire alarms, emergency lighting, city wall maintenance and legionella prevention. This year, the need arose to roll forward some £40,000 to finance urgent electrical regulatory repairs at Livestock Centre in 2013/14, so the budget was in effect expended in full. Nevertheless, a lower budget has been set in 2013/14 of £493,100.

3 RECOMMENDED

- i. that the outturn financial position of the £1.68m programme of reactive and planned property maintenance for 2012/13 as detailed above be noted.

ASSISTANT DIRECTOR HOUSING AND CONTRACTS
ASSISTANT DIRECTOR ECONOMY
ACTING ASSISTANT DIRECTOR FINANCE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None