

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 3 JUNE 2008

SCRUTINY COMMITTEE - RESOURCES 18 JUNE 2008

HRA CAPITAL & REVENUE AND AIM PROPERTY MAINTENANCE OUTTURN REPORT 2007/2008

1 PURPOSE OF THE REPORT

- 1.1 This is the fourth quarterly/outturn report, covering the period from January to March 2008 (but including updated figures at 19th May 2008). The outturn report details the financial position of the £14.5m programme of reactive and planned property maintenance and refurbishment. This includes both Revenue and HRA Capital schemes as approved by Council for the financial year 2007/2008. This amount further includes budgets for schemes rolled forward from 2006/2007. Where necessary this report also provides specific details on significant programme variations.

2 BACKGROUND

- 2.1 The Council approved the following:

	£
(a) Housing Reactive Repairs	2,215,000
(b) Housing Electrical Testing	35,000
(c) Housing Servicing Contracts	607,490
(d) Housing Maintenance Works	1,950,040
(e) Housing Programmed Works	7,425,300
(f) AIM Condition Survey Priority Programme	709,490
(g) AIM Priority Programme	320,710
(h) AIM Service Contracts	296,680
(i) Lease Requirements	109,040
(j) Service Recharges	249,160
(k) AIM Reactive Repairs	498,800
(l) AIM Operational Essentials	92,240
Total	<u>14,508,950</u>

- 2.2 The specifically monitored budgets in 2007/2008 above show overspend in the order of £205,000 (or +1.4%), in overall terms at closure of accounts. Specifically overspend on housing projects amounts to some £277,000 part compensated by savings achieved on Non-housing work of some £72,000.

Information on significant increased cost variations from budget is provided below. A copy of the full financial monitoring report is available on the Intranet.

HOUSING

- 2.3 **Housing Reactive Repairs Generally – overall budget £2,215,000**

This budget is split into five separate parts in order to better raise and monitor orders and control work and costs. As all these works are of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. However, this year

overspend in the order of £851,000 is to be sustained. Such overspend arises due to a general increase in the cost of repairs and an increased amount of reactive repair orders issued due in part to poor weather over the summer of 2007. Nevertheless such overspend has effectively been negated due to savings on other revenue based budgets and the use of contingency funds allocated for Housing Services

2.4 Gas and Central Heating Servicing – budget £500,000

This budget is set to provide the statutory requirement to inspect and service gas appliances in tenanted properties on an annual basis. Over time, whilst the actual cost in carrying out such servicing work has risen, costs have also risen due to the increasing numbers of gas appliances fitted as a result of the extensive central heating installation programme. Here overspend in the order of £67,000 has occurred, but such overspend is compensated by savings from contingencies.

2.5 Aids and Adaptations – budget £600,000

This budget is annually set so that new fittings can be installed and certain alterations made to council housing properties to enable less able people to better cope in their home environment and so be able to remain in their homes for longer. As the nature and extent of this work is generated by demand from tenants whose circumstances, in terms of health or level of disability have changed or are changing, it is very difficult to predict the value or extent of the work required. This year overspend of some £73,000 will be incurred.

2.6 BISF Properties cladding – budget £340,200

This budget was set to effect repairs to these defective “British Steel” properties, upgrade rainwater gutters and downpipes and then render external walls with a protective low maintenance priority rendering system. As work proceeded, with properties being opened up, more work was required than expected to repair existing structures resulting in overspend of some £24,000.

2.7 Major Repairs Allowance – budget £326,490

This budget provides a provision for the time resource allocated by Contracts and Direct Services through timesheet records to carry out feasibility, design, supervision, contract payments and settlement of accounts in relation to Housing capital projects. This year greater resource requirements were needed to deliver the Housing Capital programme so consequently the cost of allocated resources rose resulting in overspend of some £86,000. However, in overall terms such cost was in fact compensated by the lesser time allocated, and so reduced cost, by Contracts and Direct Services to Housing Revenue programme work. Although such reduced cost is not accounted for in this report.

2.8 Leypark Road Defects – budget £362,240

This budget was set to allow structural repairs and improvements to be carried out to five stepped defective properties in Leypark Road that had suffered movement due to subsidence. Although, as properties were opened up some of the defects then exposed have proved more costly to resolve, the opportunity was further taken to upgrade such properties to decent home standard with rewiring, new roofs, new kitchens and bathrooms being installed as well as building in certain disabled adaptations. With financial commitments to accrue, such work results in overspend in the region of £73,000.

2.9 Kitchen Replacement Installations – budget £1,429,280

The costs incurred this year in providing new updated kitchen facilities for properties as part of the need to meet decent homes standard will result in overspend on budget of some £58,000. This has occurred partly due to additional installations being required when properties have been vacated.

2.10 Bathroom Replacement Installations – budget £597,220

The costs incurred this year in providing new updated bathroom facilities for properties as part of the need to meet decent homes standard will result in overspend on budget of some £57,000. This has occurred partly due to additional installations being required when properties have been vacated and partly due to the higher costs involved in fitting further `walk-in` shower installations for less able tenants.

2.11 Asbestos Removal – budget £72,320

Replacement kitchen and bathroom programmes this year have identified a significant presence of asbestos based materials that had to be removed to reduce future risk of exposure to such hazardous material. The increased asbestos removal work and subsequent commitments has brought overspend of some £88,000.

2.12 Rifford Road Structural Repairs – budget £55,020

This budget was set to allow structural repairs and improvements to be carried out to one defective property in Rifford Road that has suffered movement due to subsidence. The opportunity will be taken to upgrade the property in terms of building in disabled adaptations so the financial commitments to accrue will result in overspend in the region of £20,000.

2.13 General Rewiring Installations – budget £530,400

This programme of rewiring properties has been conducted since 2002/3 as part of the drive to meet decent homes standard. This year additional installations have been required when properties have been vacated. Consequently the budget will overspend by some £135,000 in 2007/8.

NON-HOUSING (AIM)

2.14 Civic Centre Decorations – budget £7,000

In order to carry out essential redecoration works during the course of the year it was agreed to provide a budget in the coming year to utilise savings made in AIM programme in 2007/8.

2.15 Rougemont House Exterior Works – budget £30,000

This budget was set to repair the external facade, windows and associated fittings of this building. However this work has raised the need to install a roof harness wire safety system and more extensive rendering repairs have been identified incurring additional costs of £16,000.

2.16 Legionella risk prevention – budget £0 in 2007/8

A provision of £15,000 has been set aside from savings in non-housing projects 2007/8 to attend to and prevent future risks from legionella in water supplies to various facilities, As this work will be carried out in 2008/9 such savings will be rolled forward to provide a budget in 2008/9.

2.17 Servicing and maintenance/Legionella risk assessments – overall budget £296,680

This combined budget was set for all the annual servicing and maintenance regimes required to be carried out to installation equipment such as heating boilers, lifts, emergency lighting, electrical fixed installation testing and the like. This year additional testing and additional costs incurred, particularly in respect of provision required to attend to concrete repairs at Corn exchange and new requirements to prevent legionella in water systems, have meant the budget has overspent by some £18,000.

2.18 Fee provision – budget £249,160

This budget provides a provision for the time resource allocated by Contracts and Direct Services and Engineering and Construction through timesheet records to carry out feasibility, design, supervision, contract payments and settlement of accounts in relation to Non-Housing revenue projects. This year greater resource requirements were needed to deliver the Non-Housing programme so consequently the budget provision has overspent by some £26,000.

2.19 Canal Repairs – overall budget £22,690

This budget is set aside each year to finance essential repairs that arise throughout the year to maintain the facility in good order. As such works are reactive in nature it is difficult to predict the extent or pattern of likely expenditure in the year. In 2007/8 repair requirements have led to overspend in the order of £9,000.

3 RECOMMENDED

- (1) That the outturn financial position of the £14.5m programme of reactive and planned property maintenance and refurbishment for 2007/2008, as detailed above be noted.

HEAD OF CONTRACTS AND DIRECT SERVICES
HEAD OF HOUSING AND SOCIAL INCLUSION
HEAD OF ESTATES
HEAD OF TREASURY SERVICES

S:LP/Committee/608scc2
22 May 2008

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling the report:
None