

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 28 JANUARY 2009

NON-HOUSING AIM BUDGET 2009/2010

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 2009/2010. 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 an examination of routine servicing and operational work, the gathering of historical information as to levels of reactive repair costs, an investigation of the property condition database priorities and the assembly and prioritization of Heads of Service property requirements, a budget was established as;

(A)	Routine Servicing and Maintenance	£	337,390
(B)	Operational Essentials	£	98,290
(C)	Reactive Repairs	£	513,710
(D)	Lease Repairs	£	83,840
(E)	Service Department Recharges	£	275,930
(F)	Service Priorities and contingency	£	253,250
	Total (Appendix G)	£	1,562,410

- 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 certain structures. The work is required annually to ensure plant, equipment and certain structures are maintained in a fully operational and safe state. The costs listed are based upon historical cost information updated for either operational (due to changes in testing regulations) or inflationary increases.

2.4 Operational Essentials (Appendix B)

Appendix B details those amounts for property repair, plant and equipment that, although monitored by the AIM Group, are administered by certain Heads of Service. The appropriate Head of Service will use these budgets to keep property and plant in good working order such that continued service delivery is assured.

2.5 Reactive Repairs (Appendix C)

Appendix C details those amounts, established from previous records, required to finance reactive repair works. The repairs have been placed in categories of property family to indicate the levels of expenditure normally incurred. The expenditure is closely monitored over the year to examine whether each allotted value is a fair reflection of the financial resource needed.

2.6 Lease Repairs (Appendix D)

The contract terms of commercial property leases often demand that certain repairs, maintenance or safety checks have to be carried out year on year in order to properly maintain the property in good lettable condition. Whilst the property condition survey annually highlights certain potential problem areas there are often further works needed, arising from other periodic checks carried out, that may have not been specifically raised through the condition survey. So it is a difficult task to accurately quantify the full extent of the lease liabilities in each particular year. Therefore a sum of £83,840 has been set aside, which will be monitored throughout the year to examine whether the allotted value is a fair reflection of the financial resource needed.

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 non-housing AIM projects. The cost reflects the amount of Contracts and Direct Services and Engineering and Construction staff resources needed to deliver the work programme.

PRIORITIZED WORK PROGRAMME

2.8 Service Priorities (Appendix F)

In order to target available, but limited, financial resources in 2009/2010 a review of all the necessary repair work to non-housing properties was carried out by examining the property condition database and compiling Head of Service work requests for the coming financial year. As the value of work derived from this exercise was in excess of available funds a prioritization process was carried out. This involved each Head of Service and Directorate firstly prioritizing the work relating to their properties. Then the AIM Group (which comprises Head of Treasury Services, Head of Contracts and Direct Services and Head of Estates Services), in consultation with SMT, further examined which of those priorities were the most needed and/or most urgent. Subsequently SMT agreed the work listed in Appendix F as priorities. Although estimates are given for the cost of work listed, such estimates can only be considered as “ball-park” figures at this stage as, following Scrutiny, Heads of Service will need to examine and develop specific briefs for the work involved. Revised estimates, where necessary, can then be calculated. An annual provision is set aside within this budget to take account of any costs arising from having to employ external consultants on certain projects, where there are insufficient resources in-house to deliver projects programmed to be commenced and undertaken in 2009/10. A contingency sum has again been established as a provision to allow for revised estimates and for any unforeseen works, of an emergency repair nature, that inevitably arise through the year.

It should be noted that for 2009/10 AIM recognized that revenue savings needed to be sought and so AIM decided to contribute to a necessary revenue savings drive by reducing this Services Priority budget by some £186,000 this financial year.

3 PROPOSALS

- 3.1 It is proposed that the sum of £1,562,410 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 £1,562,410 has been split into the categories of work in the year 2009/2010 as outlined in this report.

HEAD OF CONTRACTS AND DIRECT SERVICES
HEAD OF TREASURY SERVICES
HEAD OF ESTATES SERVICES

COMMUNITY & ENVIRONMENT DIRECTORATE

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

Background papers used in compiling the report

None