

# EXETER CITY COUNCIL

## SCRUTINY COMMITTEE - COMMUNITY 5 JUNE 2007

### AIM PROPERTY MAINTENANCE OUTTURN REPORT 2006/2007

#### 1 PURPOSE OF THE REPORT

- 1.1 This is the fourth quarterly/outturn report, covering the period from January to March 2007 (but including updated figures at 16<sup>th</sup> May 2007). The report details the financial position of the £13.3m programme of reactive and planned property maintenance and refurbishment inclusive of budget adjustments as approved by Executive on 5th December 2006. This report covers both Revenue and HRA Capital schemes as approved by Council for the financial year 2006/2007 and further includes budgets for schemes rolled forward from 2005/2006. Where necessary this report also provides specific details on significant financial variations.

#### 2 BACKGROUND

- 2.1 The Council approved the following:

	£
(a) Housing Reactive Repairs	£ 2,210,000
(b) Housing Electrical Testing	£ 70,000
(c) Housing Servicing Contracts	£ 589,000
(d) Housing Maintenance Works	£ 1,720,550
(e) Housing Programmed Works	£ 6,548,990
(f) AIM Condition Survey Priority Programme	£ 557,960
(g) AIM Priority Programme	£ 395,360
(h) AIM Service Contracts	£ 276,380
(i) Lease Requirements	£ 96,030
(j) Service Recharges	£ 241,900
(k) AIM Reactive Repairs	£ 457,530
(l) AIM Operational Essentials	£ 88,930
<b>Total</b>	<b>£ 13,252,630</b>

- 2.3 The specifically monitored budgets in 2006/2007 above show underspend in the order of £45,000 (or -0.3%), in overall terms.

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

## **HOUSING**

### **2.4 Housing Reactive Repairs Generally – overall budget £2,210,000**

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 very difficult to predict the extent or pattern of likely expenditure each year and this year overspend of some £244,000 has been sustained. Whilst such overspend has mainly occurred due to the amount of daily general reactive repair works needed but, with compensating savings on some elements, the overspend has effectively been negated in overall terms by use of contingency funds.

### **2.5 Aids and Adaptations – budget £439,240**

This budget is annually set so that new fittings can be installed and certain alterations made to council 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 an overspend of some £70,000 has been incurred, which could not be sufficiently compensated from savings on other project work and so contingency funds have again effectively negated the impact of such overspend.

### **2.6 Rendering to Flats and Low Maintenance/Painting Programmes – combined budget £170,000**

This programme of work seeks to both maintain and improve the external walls, rainwater goods and fascias of housing properties, using materials and techniques, which will reduce the need for costly maintenance in the future. This year spending patterns already evidence how a concentration on the installation of low maintenance finishes has brought savings in similar annual maintenance costs. So, whilst these combined capital budgets show overspend of some £116,000 in 2006/7, this has been more than compensated by savings in the revenue funded property painting maintenance budget.

### **2.7 MRA Fees– budget £284,560**

This budget is set as the Major Repairs Allowance to cover for the internal costs involved in delivering annual housing programmes. This year, due to the extra staff costs incurred in delivering central heating, kitchen and bathroom installations overspend of some £30,000 has occurred.

### **2.8 Contingency – budget £35,380**

This year this contingency fund has been overspent by some £10,000 due to the value of unexpected works that have arisen on various properties but particularly in relation to the work needed to maintain Rennes House lifts.

## **NON-HOUSING**

### **2.9 Non-Housing Reactive Repairs Generally – overall budget £457,530**

Similar to Housing reactive repairs, this overall budget is split into eleven parts in order to better raise and monitor orders and control work and subsequent costs. The day to day works required for the varying facilities across the City are reactive rather than planned repairs and so it is not possible to predict the extent or pattern of likely expenditure each year. The spending on some facilities indicates overspend, as in car parks, leisure and environmental health facilities, but such overspend has been compensated in part by underspends on other facilities. So, the overall financial position is that overspend of some £55,000 has occurred. However, the financial impact of this overspend has been negated by savings elsewhere on non-housing projects.

### **2.10 Operational Essentials – overall budget £88,930**

Again this overall budget is split into four sections in order to better control work and subsequent costs. The budgets are set each year to pay for reactive type work needed to maintain the delivery of particular services to the public. These budgets, controlled by facility managers, allow the opportunity to react quickly to unforeseen events to reduce the impact on their service as provided. Being reactive day to day work it is not possible to predict the extent or pattern of likely expenditure required such that, this year costs have outstripped the budget available by some £28,000 in total, particularly through the carrying out of repairs to the canal bank.

## **3 RECOMMENDED**

- (1) that the outturn financial position of the £13.3m programme of reactive and planned property maintenance and refurbishment for 2006/2007, as detailed above be noted.

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

S:LP/Committee/607SCC7  
16 May 2007

COMMUNITY & ENVIRONMENT DIRECTORATE

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