

**THE HIGHLAND COUNCIL**

**RESOURCES COMMITTEE**

**14 June 2006**

Agenda Item No	
Report No	

**PROPERTY REVENUE MAINTENANCE BUDGET 2006/07**

**Report by the Director of Property & Architectural Services**

**SUMMARY**

This report sets out the both the refined allocation and the current position with regard to the component parts of the 2006/07 Property Revenue Maintenance Budget.

**1. BACKGROUND**

- 1.1 Following the decision of the Budget Working Group to allocate a Property Revenue Maintenance Budget for General Fund subjects of **£3,339,080** (exclusive of fees) to Property & Architectural Services for financial year 2006/07, Resources Committee, on 15 February 2006, approved the proposed initial allocation of the overall budget.
- 1.2 The Budget Working Group has subsequently allocated a further **£131,000** for Planned & Cyclical Works resulting in a total Property Revenue Maintenance Budget for General Fund subjects of **£3,470,080** (exclusive of fees) for 2006/07.
- 1.3 The budget has been apportioned out to all Council Areas, and papers have been prepared for consideration by each Area Committee. To date Inverness & Lochaber have approved the detailed spend proposals for their respective areas with the remaining Area Committees scheduled to consider their spend proposals prior to the end of June 2006. This should allow progress with projects throughout the summer holiday period.
- 1.4 The Table in **Appendix 1** summarises the allocated budgets by work category and details expenditure as at 30 May 2006.

**2. SUMMARY OF EXPENDITURE TO DATE**

- 2.1 It will be noted that 16% of the way through the year, 15% of the Revenue Maintenance Budget has been spent or legally committed.
  - 2.1.1 **Day to Day M&E** – This budget has been allocated to deal with urgent or emergency Health & Safety Mechanical and Electrical repairs. It will be noted that the current level of committed spend is running at 27% against a targeted spend of 16% for this time of year. Expenditure against this heading will be managed to ensure that the overall budget is not exceeded.
  - 2.1.2 **Day to Day Building** – This budget has been allocated to deal with urgent or emergency Health & Safety Building Fabric repairs. It will be noted that the current level of committed spend is running at 23% against a targeted spend of 16% for this time of year. Expenditure against this heading will be managed to ensure that the overall budget is not exceeded.
  - 2.1.3 **Service Contracts** – This budget has been allocated to meet the cost of servicing fixed plant

and equipment. It will be noted that the current level of committed spend is running at 6% against a targeted spend of 16% for this time of year. Expenditure is expected to increase over the coming months as Service Contracts are let.

- 2.1.4 **Vandalism** – This budget has been allocated to deal with wilful damage to Council Buildings such as the replacement of damaged glazing, damage to entrance doors, toilet fittings and removal of graffiti. It will be noted that the current level of committed spend is running at 27% which is ahead of the targeted spend of 16% for this time of year but expenditure against this heading will be managed to ensure that the overall budget is not exceeded. We are continuing with the review of vandalism patterns across all areas in order to identify what collective action may be taken to help reduce the damage being sustained at specific properties.
- 2.1.5 **Planned Maintenance** – All projects will, once approved by Area Committees, be progressed to ensure completion within the current financial year.
- 2.1.6 **Cyclical Maintenance** – Again all projects will, once approved by Area Committees, be progressed to ensure completion within the current financial year.
- 2.1.7 **Planned /Cyclical Retentions 05/06** – This budget has been allocated to meet the cost of project retentions for projects that were completed during 2005/06.
- 2.1.8 **Kitchen Fabric** – This Budget has been allocated to deal with specific work identified by Environmental Health Officers when inspecting kitchens within Schools and Social Work establishments to ensure compliance with the Food Act. It will be noted that the current level of committed spend is running at 24% against a targeted spend of 16% for this time of year. Expenditure against this heading will be managed to ensure that the overall budget is not exceeded.
- 2.1.9 **Structural Surveys** – This Budget has been allocated to allow structural surveys of major building defects to be instructed as and when they are identified. Essential expenditure against this heading will be managed to ensure that the overall budget is not exceeded.
- 2.1.10 **Asbestos work** – This Budget has been allocated to deal with control of asbestos materials identified during the course of carrying out routine maintenance repairs. It will be noted that the current level of committed spend is running at 5% which is within the targeted spend of 16% for this time of year. Expenditure against this heading will be managed to ensure that the overall budget is not exceeded.
- 2.1.11 **Insurance Identified Work** – This Budget has been allocated to deal with specific work identified by the Councils Insurers when carrying out statutory inspections of Council Properties. It will be noted that the current level of committed spend is running at 71% which is above the targeted spend of 16% for this time of year. This level of expenditure is a result of having to address works identified at the end of the previous financial year. Expenditure against this heading will be managed to ensure that the overall budget is not exceeded.
- 2.1.12 **Insurance Surveys – Zurich** – This Budget has been allocated to fund an increased frequency of inspection of electrical installations in properties which are designated as special locations such as Swimming Pools. It should be noted that expenditure shall commence over the coming months as a result of Zurich being instructed to carry out further electrical surveys.

- 2.1.13 **Storm Damage/Winter Contingency** – It will be noted that the current level of committed spend is running at 25% which is ahead of the targeted spend of 16% for this time of year. Failure to timeously deal with Storm Damage events can result in breaches of statutory legislation, may seriously affect delivery of essential Council Services and could lead to the closure of Council buildings. However, future expenditure under this budget heading will be closely monitored to ensure that; overall, expenditure on Property Revenue Maintenance is contained within budget.

**RECOMMENDATION**

Members are asked to:-

1. Approve the refined allocation of the 2006/07 Property Revenue Maintenance Budget.
2. Note the current position with regard to the component parts of the 2006/07 Property Revenue Maintenance Budget.

Signature:

Designation: **Director of Property & Architectural Services**

Date: 30 May 2006

Author/Reference: Finlay MacDonald Property Manager (Building Maintenance)

## Property Revenue Maintenance Budget 2006-07

	Budget	Legally Committed	Paid	Balance	% of Budget Paid / Legally Committed	% Through Year
Day to Day M&E	660,000	134,747	44,805	480,448	27%	<b>16%</b>
Day to Day Building	710,000	126,190	37,697	546,114	23%	
Service Contracts	778,900	16,157	30,104	732,639	6%	
Vandalism	180,000	38,721	9,130	132,149	27%	
Planned Maintenance	361,600	4,000	0	357,600	1%	
Cyclical Maintenance	553,300	5,398	0	547,902	1%	
Planned / Cyclical Retention 05/06	35,000	5,930	28,216	854	81%	
Kitchen Fabric - EHO Reports	65,000	10,832	5,083	49,085	24%	
Structural Surveys	15,000	0	0	15,000	0%	
Asbestos Work	14,000	700	0	13,300	5%	
Insurance identified work	20,000	14,250	0	5,750	71%	
Insurance Surveys - Zurich	55,000	0	0	55,000	0%	
Storm Damage / Winter Contingency	22,280	3,820	1,667	16,793	25%	
<b>Overall Totals</b>	<b>3,470,080</b>	<b>360,745</b>	<b>156,701</b>	<b>2,952,634</b>	<b>15%</b>	