

# THE HIGHLAND COUNCIL

## Resources Committee – 18 February 2009

Agenda Item	
Report No	

### Property Revenue Maintenance Budget 2008/09

#### Report by Director of Housing and Property

#### Summary

This report sets out the current position with regard to the component parts of the 2008/09 Property Revenue Maintenance Budget. It also notes progress in developing projects for inclusion in the Property Revenue Maintenance Programme for 2009/10.

## 1. Property Revenue Maintenance Budget 2008/09

### 1.1 Background

1.2 The Resources Committee approved the overall Property Revenue Maintenance Budget allocation of £4,415,724 for financial year 2008/09 on 16 April 2008.

1.3 The table in **Appendix 1** summarises the allocated budgets by work category and details expenditure as at 19 January 2009.

## 2. Summary of Expenditure to Date

2.1 It will be noted that 81% of the way through the year, 82% of the budget has been spent or legally committed.

## 3. Budget Heading Performance

3.1 **Day to Day Building Repairs** – The current level of committed spend is running at 88% which is higher than the target profile of 81%. Area staff continue to scrutinise all property repair requests and are only instructing urgent works for the remainder of this financial year. If the number of reactive repairs cannot be sufficiently reduced then savings against other budget headings will be used to prevent the overall budget overspending. Alternatively, additional repairs could continue to be commissioned using funding from within other projected under-spends within Housing and Property controlled Revenue budgets.

3.2 **Day to Day Engineering Repairs** – The current level of committed spend is running at 90%, which is higher than the target profile of 81%. Engineering repair requests also continue to be closely scrutinised to ensure that expenditure is contained within the overall allocation while keeping buildings open and risk ratings at an acceptable level. As for day to day building repairs, if the number of required repairs cannot be sufficiently reduced funding from alternative budget headings will be considered.

3.3 **Service Contracts** – This budget has been allocated to meet the cost of servicing fixed plant and equipment. Service contracts are progressing well with committed

expenditure running at 94%. This reflects the high number of contracts let to allow programming of work over the year, and it is anticipated that this budget will come in on target.

- 3.4 **Vandalism – Remedial Works** – This budget has been allocated to deal with wilful damage to Council buildings. The current level of committed spend is running at 85%, which is slightly higher than the target profile of 81%. It is anticipated that the budget will be fully expended by the end of the current financial year.
- 3.5 **Planned Maintenance** – This budget has been allocated to meet the cost of minor works such as window/door replacements, heater replacements, etc. The current level of committed spend is running at 61%. The commissioning of works has been accelerated to ensure that all projects are completed within this financial year.
- 3.6 **Cyclical Maintenance** – This budget has been allocated to meet the cost of external redecoration works, gutter cleaning, septic tank cleaning etc. Cyclical projects are progressing well and the current level of committed spend is running at 73%. It is anticipated that all projects will be completed within this financial year.
- 3.7 **Kitchen Fabric - EHO Reports** – This budget has been allocated to deal with specific work identified by Environmental Health Officers when inspecting kitchens to ensure compliance with the Food Safety Act. The current level of committed spend is currently running at 61% which reflects the requirements of safety inspections received to date.
- 3.8 **Structural Surveys** – This budget has been allocated to allow structural surveys of major building defects to be instructed as and when they are identified. A limited number of structural surveys have been commissioned to date. It will be noted that the current level of committed spend is running at 16% which is within the targeted spend of 81% for this time of year.
- 3.9 **Asbestos Work** – This budget has been allocated to deal with control of asbestos materials identified while carrying out routine maintenance repairs. It will be noted that the current level of committed spend is running at 51% which is within the targeted spend of 81% for this time of year.
- 3.10 **Fire Legislative Measures** – This budget has been allocated to deal with minor works identified during the course of carrying out Property Fire Risk Assessments. Minor fire legislative works are now being progressed and the current level of committed spend is within target at 49%. It is anticipated that this budget will come in on target.
- 3.11 **Insurance Identified Work** – This budget has been allocated to deal with specific work identified by the Council's Insurers when carrying out statutory inspections of Council Properties. Improvement works are now being progressed and the current level of committed spend is running at 62%. Expenditure against this heading will be managed to ensure that the overall budget is not overspent.
- 3.12 **Insurance Surveys – Zurich** – This budget has been allocated to fund the inspection of electrical installations by Zurich Engineers in properties which are designated as special locations, such as swimming pools. This budget reflects a one off annual payment and will be fully expended by the end of the current

financial year.

- 3.13 **Storm Damage / Winter Contingency** – Extreme weather conditions can cause varying degrees of damage to Highland Council buildings. This budget meets the cost of completing urgent property repairs ensuring that local service delivery suffers the minimum disruption. It will be noted that the current level of committed spend is currently within target at 61%, which reflects the seasonal nature of this budget.
- 3.14 **Leased Building Service Charges** – This budget has been allocated to meet the cost of specific lease requirements associated with office premises that the Council lease. It is anticipated that the budget will be fully expended by the end of the current financial year.
- 3.15 **Fees** – The level of fee payment is currently at 79%, with 21% remaining to be paid within this financial year. This amount is relevant to the level of maintenance works commissioned to date.

**4. 2009/10 Property Revenue Maintenance Programme**

It should be noted that preparation is currently taking place to work up a detailed programme of works for 2009/10, based on the same budget headings as in previous years. Following consultation to take place at Ward level a detailed programme will be reported to Committee on 15<sup>th</sup> April 2009 for final approval.

**5. Recommendation**

Members are asked to:-

1. Note the current position with regard to progress with the 2008/09 Property Revenue Maintenance Budget.
2. Approve the transfer of funds from within other Housing and Property Service controlled Revenue Budgets where an under-spend is projected should this be required to ensure that day to day and engineering repairs are maintained at an appropriate level.
3. Note that a detailed Revenue Maintenance Programme for 2009/2010 will be reported to Committee on 15 April 2009 for approval.

Signature:

Designation: Director of Housing & Property

Date: 10 February 2009

Author/Reference: Finlay MacDonald (Property Manager)

## Appendix 1

### Property Revenue Maintenance Budget 2008/09

	Budget	Legally Committed	Paid	Balance	% of Budget Paid / LC	% Through Year
Day to Day Building	710,000	136,311	490,207	83,482	88%	<b>81%</b>
Day to Day M&E	660,000	169,073	426,323	64,604	90%	
Service Contracts	825,000	416,137	361,148	47,715	94%	
Vandalism	172,000	31,157	115,387	25,456	85%	
Planned Maintenance	498,300	114,957	189,840	193,503	61%	
Cyclical Maintenance	643,100	57,871	410,421	174,808	73%	
Kitchen Fabric - EHO Reports	60,000	8,760	28,099	23,141	61%	
Structural Surveys	10,000	1,613	0	8,387	16%	
Asbestos Work	25,000	1,470	11,267	12,263	51%	
Fire Legislative Measures	40,000	1,868	17,594	20,538	49%	
Insurance Identified Work	50,000	7,335	23,660	19,006	62%	
Insurance Surveys - Zurich	55,000	0	0	55,000	0%	
Storm Damage / Winter Contingency	75,042	20,918	25,205	28,919	61%	
Leased Building Service Charges	50,000	0	0	50,000	0%	
Fees	542,282	114,282	428,000	0	100%	
<b>Overall Totals</b>	<b>4,415,724</b>	<b>1,081,752</b>	<b>2,527,151</b>	<b>806,821</b>	<b>82%</b>	