

THE HIGHLAND COUNCIL

Resources Committee – 3 December 2008

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.

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 17 November 2008.

2. Summary of Expenditure to Date

2.1 It will be noted that 64% of the way through the year, 68% of the budget has been spent or legally committed. Good progress is being made with regards to spend on Service Contracts and Cyclical Maintenance.

3. Budget Heading Performance

3.1 **Day to Day Building Repairs** – The current level of committed spend is running at 75% which is higher than the target profile of 64%. Area staff have been instructed to scrutinise all property repair requests and only instruct urgent works for the remainder of this financial year. However, 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.

3.2 **Day to Day Engineering Repairs** – The current level of committed spend is running at 67% which is slightly higher than the target profile of 64%. Engineering repair requests will also be closely scrutinised to ensure that expenditure is contained within the overall allocation while keeping buildings open and risk ratings at an acceptable level.

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 79%. 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 76%, which is slightly higher than the target profile of 64%. Both Cauldeen Primary and Inverness High School have suffered major vandalism incidents consisting of forced doors and considerable glazing damage. The most recent incident at Inverness High School resulted in 40 panes of glass being broken. Discussions are to take place with the Police and the Council's Insurers to identify where security at these sites in particular can be improved.
- 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 59%. 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 66%. 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 57% 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 64% 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 42% which is within the targeted spend of 64% 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 45%. 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 58%. 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 an increased frequency of 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 36%, 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 64%. This amount is relevant to the level of maintenance works commissioned to date.

Recommendation

Members are asked to:-

1. Note the current position with regard to progress with the 2008/09 Property Revenue Maintenance Budget.

Signature:

Designation: Director of Housing & Property

Date: 17 November 2008

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	139,337	391,350	179,313	75%	64%
Day to Day M&E	660,000	127,787	311,587	220,626	67%	
Service Contracts	825,000	383,146	268,737	173,117	79%	
Vandalism	172,000	30,495	100,579	40,926	76%	
Planned Maintenance	498,300	131,896	161,108	205,296	59%	
Cyclical Maintenance	643,100	68,156	357,789	217,155	66%	
Kitchen Fabric - EHO Reports	60,000	12,830	21,142	26,028	57%	
Structural Surveys	10,000	1,613	0	8,387	16%	
Asbestos Work	25,000	2,800	7,748	14,452	42%	
Fire Legislative Measures	40,000	5,087	12,769	22,144	45%	
Insurance Identified Work	50,000	11,736	17,171	21,093	58%	
Insurance Surveys - Zurich	55,000	55,000	0	0	0%	
Storm Damage / Winter Contingency	75,042	10,389	16,710	47,943	36%	
Leased Building Service Charges	50,000	0	0	50,000	0%	
Fees	542,282	0	347,060	195,222	64%	
Overall Totals	4,415,724	980,272	2,013,750	1,421,702	68%	