

THE HIGHLAND COUNCIL

Resources Committee – 15 April 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.

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 23 March 2009.

2. Summary of Expenditure to Date

2.1 It will be noted that 99% of the way through the year, 99% of the budget has been spent or legally committed.

2.2 Ongoing progress with the Revenue Maintenance Works Programme and subsequent processing of completed work orders indicates that the total budget of £4,415,724 will be expended on maintaining General Fund facilities during the current financial year. Current projections indicate that at the close of the 2008/09 financial year 100% of this budget will be spent.

3. Budget Heading Performance

3.1 **Day to Day Building Repairs** – As a result of dealing with urgent repair works this budget heading has been overcommitted by 15%. Savings against other budget headings will be used to prevent an overall budget overspend.

3.2 **Day to Day Engineering Repairs** – Similarly, as a result of dealing with urgent repair works this budget heading has been overcommitted by 15%. Savings against other budget headings will be used to prevent an overall budget overspend.

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%. It is anticipated that this budget will be fully expended once all completed works are invoiced and subsequent payments made to Service Contractors.

- 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 96%. It is anticipated that the budget will be fully expended once all completed works are invoiced and subsequent payments made to Contractors.
- 3.5 **Planned Maintenance** – This budget has been allocated to meet the cost of minor works such as window/door replacements, heating replacements, etc. The current value of committed projects is running at 87% and these will be completed by 31st March. Savings from this budget heading will be used to reduce any potential budget overspend.
- 3.6 **Cyclical Maintenance** – This budget has been allocated to meet the cost of external redecoration works, gutter cleaning, septic tank cleaning etc. The current value of committed projects is running at 88% and these will be completed by 31st March. Savings from this budget heading will be used to reduce any potential budget overspend.
- 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 90%. It is anticipated that the budget will be fully expended once all completed works are invoiced and subsequent payments made to Contractors.
- 3.8 **Structural Surveys** – This budget has been allocated to allow surveys of major structural defects to be instructed as and when they are identified. The current level of committed spend is running at 19%. Savings from this budget heading will be used to reduce any potential budget overspend. This budget is entirely separate from the ECS Budget which funds condition surveys of School Buildings.
- 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 70%. Savings from this budget heading will be used to reduce any potential budget overspend.
- 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. It will be noted that the current level of committed spend is running at 78%. Savings from this budget heading will be used to reduce any potential budget overspend.
- 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 electrical inspections of Council Properties. As a result of dealing with urgent repair works this budget heading has been overcommitted by 20%. Savings against other budget headings will be used to prevent an overall budget overspend.
- 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. The total cost of completing the programmed inspections for this financial year is £32,286. The residual budget of £22,714 will be used to prevent an overall budget overspend.

- 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. As a result of dealing with urgent repair works this budget heading has been overcommitted by 14%. Savings against other budget headings will be used to prevent an overall budget overspend
- 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. This budget will be fully expended by the end of the current financial year.
- 3.15 **Fees** – All fee payments relevant to programme delivery have now been made with total fee expenditure now at 100%.

Recommendation

Members are asked to note:-

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

Signature:

Designation: Director of Housing & Property

Date: 21 March 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	93,090	723,767	-106,857	115%	99%
Day to Day M&E	660,000	98,579	658,837	-97,416	115%	
Service Contracts	825,000	157,200	618,822	48,978	94%	
Vandalism	172,000	15,539	149,480	6,981	96%	
Planned Maintenance	498,300	118,166	316,101	64,033	87%	
Cyclical Maintenance	643,100	64,403	500,141	78,555	88%	
Kitchen Fabric - EHO Reports	60,000	11,970	42,110	5,920	90%	
Structural Surveys	10,000	0	1,857	8,143	19%	
Asbestos Work	25,000	3,240	14,166	7,594	70%	
Fire Legislative Measures	40,000	10,157	20,902	8,941	78%	
Insurance Identified Work	50,000	15,326	44,893	-10,218	120%	
Insurance Surveys - Zurich	55,000	0	32,286	22,714	59%	
Storm Damage / Winter Contingency	75,042	16,474	69,323	-10,755	114%	
Leased Building Service Charges	50,000	50,000	0	0	100%	
Fees	542,282	0	542,282	0	100%	
Overall Totals	4,415,724	654,144	3,734,967	26,613	99%	