

Item: 4

Education, Leisure and Housing Committee: 14 November 2018.

Housing Revenue Account – Revenue Repairs and Maintenance Programme.

Joint report by Executive Director of Education, Leisure and Housing and Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved Housing Revenue Account Revenue Repairs and Maintenance Programme for financial year 2018 to 2019, as at 30 September 2018.

2. Recommendations

The Committee is invited to note:

2.1.

The position of expenditure incurred as at 30 September 2018, against the approved revenue repairs and maintenance programme in respect of the Housing Revenue Account as detailed in section 4.2 of this report.

2.2.

The explanations given in respect of significant budget variances, attached as Appendix 1 to this report.

3. Background

3.1.

The Corporate Asset Management Plan 2013 to 2018 takes account of guidance produced by the Chartered Institute of Public Finance and Accountancy and has streamlined the suggested framework to incorporate and complement the existing Capital Project Appraisal system.

3.2.

The Corporate Asset Management Plan summarises the Council's aims and objectives for its assets to ensure that they are used in an effective and efficient manner.

3.3.

This has been further supplemented by the Property Asset Management Plan approved on 5 July 2016.

3.4.

The purpose of this report is to present an overview or summary of the spend to date and allow Members the opportunity to scrutinise the spending levels against approved budgets and gauge the extent to which the Council's assets are routinely being maintained and replaced.

4. Budget Monitoring

4.1.

Appendix 1 to this report, shows the position of expenditure incurred for the period 1 April to 30 September 2018, against the approved programme, and provides a breakdown of the various programmes of work undertaken for financial year 2018 to 2019.

4.2.

The position at 30 September 2018 was expenditure of £374,600 against an annual budget of £1,244,300 leaving a balance of £869,700.

4.3.

The Service has advised that this budget will be fully utilised by the end of the financial year.

5. Corporate Governance

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Improvement Plan.

6. Financial Implications

6.1.

The Financial Regulations state that service directors are able to incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations and approved schemes of delegation.

6.2.

The development of a corporate approach to asset management planning should lead to efficiencies in the use of fixed assets, together with the potential for rationalisation of the Council's property estate going forward.

6.3.

More detailed monitoring of expenditure on the Corporate Asset Management and Improvement Programme will result in improved accountability in relation to the deliverance of the approved programmes of work and ensure Members are kept informed of progress.

7. Legal Aspects

Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.

8. Contact Officers

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9. Appendix

Appendix 1 – 2018 to 2019 Expenditure Analysis as at 30 September 2018.

APPENDIX 1

Repairs and Maintenance Programme	Actual Expenditure 30 Sept 2018 £000's	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Balance Remaining £000's	Update
Cyclical Maintenance.	40.7	30.0	60.0	19.3	Good weather allowed for high volume of external decoration. A virement of £30k from Planned Maintenance will cover these additional costs.
Planned Maintenance.	6.5	405.0	375.0	368.5	Fabric renewals work underway but few invoices received yet. Also a virement of £30k to Cyclical Maintenance.
Reactive Repairs.	256.0	334.6	434.6	178.6	High level of reactive repairs reported this year. A virement of £100k from Voids/Improvements/Adaptions.
Voids /Improvements / Adaptations	71.4	290.0	190.0	118.6	Fewer larger cost voids to date. A virement of £100k to Reactive Repairs.
Contingency budget.	0.0	20.0	20.0	20.0	Where required.
In-House Professional Fees	0.0	164.7	164.7	164.7	Recharged at year-end
TOTALS	374.6	1,244.3	1,244.3	869.7	