

## **Item: 7**

### **Asset Management Sub-committee: 6 September 2018.**

### **Corporate Property Asset Maintenance Programmes – Expenditure Monitoring.**

#### **Report by Head of Finance.**

## **1. Purpose of Report**

To monitor expenditure on the Corporate Property Asset Maintenance Programmes as at 30 June 2018.

## **2. Recommendations**

The Sub-committee is invited to note:

### **2.1.**

The summary position of expenditure incurred, as at 30 June 2018, against the approved corporate property asset maintenance programmes, as detailed in section 4.1 of this report.

### **2.2.**

The summary of larger works undertaken as reactive repairs, 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 2013 to 2018 summarises the Council's aims and objectives for its assets to ensure that they are used in an effective and efficient manner. Delivery of the Corporate Asset Management Plan will support the corporate priorities in the Council Plan 2013 to 2018 and is based on the Council's values.

### **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 expenditure incurred as at 30 June 2018 to 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 Outturn

### 4.1.

The undernoted table shows the outturn position of expenditure incurred for the period 1 April to 30 June 2018, against approved programmes:

<b>Revenue Maintenance Programme.</b>	<b>Budget 2018/2019</b>	<b>Expenditure at 30 June 2018</b>	<b>Over/(Under) Spend at 30 June 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund	1,676.5	318.8	(1,357.7)
Strategic Reserve Fund	258.7	15.9	(242.8)
Total	1,935.2	334.7	(1,600.5)

### 4.2.

Appendix 1 to this report provides a detailed breakdown of the two programmes of work undertaken for financial year 2018 to 2019 and is compared directly with the respective planned and approved programmes.

### 4.3

Appendix 1 also provides a summary of the larger works undertaken as reactive repairs.

## 5. General Fund Programme

The General Fund Revenue Maintenance Programme is showing an underspend of £1,357,700 as at 30 June 2018, with the underlying reasons detailed in Appendix 1.

## 6. Strategic Reserve Fund Programme

The Strategic Reserve Fund Revenue Maintenance Programme is showing an underspend of £242,800 as at 30 June 2018, with the underlying reasons detailed in Appendix 1.

## **7. 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 Outcomes Improvement Plan.

## **8. Financial Implications**

### **8.1.**

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.

### **8.2.**

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.

### **8.3.**

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.

## **9. Legal Aspects**

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

## **10. Contact Officers**

Gareth Waterson, Head of Finance, extension 2103, Email [gareth.waterson@orkney.gov.uk](mailto:gareth.waterson@orkney.gov.uk)

Colin Kemp, Corporate Finance Senior Manager, extension 2106, Email [colin.kemp@orkney.gov.uk](mailto:colin.kemp@orkney.gov.uk)

## **11. Appendix**

Appendix 1: Revenue Maintenance Programme 2018 to 2019