

## **Item: 13**

**Education, Leisure and Housing Committee: 6 September 2023.**

**Housing Revenue Account.**

**Revenue Repairs and Maintenance Programme – Expenditure Monitoring.**

**Report by Head of Finance.**

### **1. Purpose of Report**

To monitor the expenditure incurred against the approved Housing Revenue Account revenue repairs and maintenance programme as at 30 June 2023.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

The summary position of expenditure incurred, as at 30 June 2023, against the approved revenue repairs and maintenance programme in respect of the Housing Revenue Account, as detailed in section 4.2 of this report.

The Committee is invited to scrutinise:

#### **2.2.**

The explanations given in respect of significant budget variances, as detailed in Appendix 1 to this report, in order to obtain assurance on progress being made with delivery of the approved revenue repairs and maintenance programme for 2023/24 in respect of the Housing Revenue Account.

### **3. Background**

#### **3.1.**

The Corporate Asset Management Plan 2019 to 2023 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. This has been further supplemented by the Property Asset Management Plan approved on 10 December 2019.

### **3.3.**

The purpose of this report is to present an overview or summary of the expenditure incurred as at 30 June 2023 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 Monitoring**

### **4.1.**

Appendix 1 shows the position of expenditure incurred for the period 1 April to 30 June 2023, against the approved programme and provides a breakdown of the various programmes of work to be undertaken during financial year 2023/24.

### **4.2.**

The position at 30 June 2023 was expenditure of £267,300 against an annual budget of £1,615,500, with remaining budget of £1,348,200.

## **5. Corporate Governance**

This report relates to the Council complying with its 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.

## **6. Financial Implications**

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

## **7. Legal Aspects**

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

## **8. Contact Officer**

Erik Knight, Head of Finance, extension 2127, Email [erik.knight@orkney.gov.uk](mailto:erik.knight@orkney.gov.uk).

## **9. Appendix**

Appendix 1: Housing Revenue Account Revenue Repairs and Maintenance Monitoring Report as at 30 June 2023.

| <b>Repairs and Maintenance Programme</b> | <b><u>Actual Expenditure</u><br/>30 June 2023<br/>£000's</b> | <b><u>Approved Budget</u><br/>2023/24<br/>£000's</b> | <b><u>Overspend /<br/>(Underspend)</u><br/>£000's</b> | <b><u>Estimated Outturn</u><br/>2023/24 P12<br/>£000's</b> | <b><u>Predicted</u><br/><u>Overspend /</u><br/><u>(Underspend)</u><br/>£000's</b> | <b><u>Update</u></b>   |
|--|--|--|---|--|---|--|
| Cyclical Maintenance                     | 13.0   | 91.1   | (78.1)  | 88.4   | (2.7)   | Additional cyclical maintenance programmes to commence in Q2-Q4. Continuing high costs of delivery and materials anticipated to have an impact on costs through the remainder of the year.   |
| Planned Maintenance                      | 128.8  | 524.9  | (396.1)   | 515.2  | (9.7)   | Electrical Installation Condition Reports (EICRs) continue to impact from previous FY in Q1 but will drop away in Q2. Windows, doors, kitchen and bathroom projects to reduce through Q2 and Q3 before ramping up again in Q4. Roofing works and heating replacement works to commence in Q3-Q4.   |
| Reactive Repairs                         | 67.5   | 415.2  | (347.7)   | 405.0  | (10.2)  | Focus remains on fabric and emergency repairs to help lower any potential overspend due to high costs of delivery and materials anticipated through the remainder of the year.   |
| Voids/Improvements/Adaptations           | 58.0   | 368.1  | (310.1)   | 359.0  | (9.1)   | Works being carried out in response to void properties as they become available. High costs of materials anticipated to continue to have an impact through the remainder of the year. Additional spend on voids relating to Energy Efficiency Standard for Social Housing (EESH) 2 works incurred during Q1 and anticipated to continue through the remainder of the year. |
| In-House Professional Fees               |  | 216.2  | (216.2)   |  |   | To be charged at year-end.   |
| <b>TOTALS</b>                            | <b>267.3</b>   | <b>1,615.5</b>                                       | <b>(1,348.2)</b>                                      | <b>1,367.6</b>   | <b>(31.7)</b>   |  |