

Item: 5

Education, Leisure and Housing Committee: 6 February 2019.

Housing Revenue Account – Revenue Repairs and Maintenance Programme – Expenditure Monitoring.

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, as at 31 December 2018.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred as at 31 December 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 2018 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.

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 31 December 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 31 December 2018 was expenditure of £525,400 against an annual budget of £1,244,300 leaving a balance of £718,900.

4.3.

The Service has advised that there may be an underspend at the year-end of £100,000 on roofing works and air to air heating trials. These works are likely to be completed in the next 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 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 31 December 2018.

Appendix 1

Repairs and Maintenance Programme	Actual Expenditure 31 December £000's	Original Budget 2018/19 £000's	Revised Budget 2018/19 £000's	Balance Remaining £000's	Update
Cyclical Maintenance	43.9	30.0	60.0	16.1	External decoration increased spend in summer, now decoration works complete and remaining cyclical works continuing as expected.
Planned Maintenance	29.3	405.0	375.0	345.7	Windows, doors and kitchens, bathrooms work on-site at present. Not likely to realise spend anticipated this financial year where roofing works, decarbonisation project (air to air heating trial) etc. are unlikely to be completed this financial year. Predicting an underspend of approx £100K which will be spent in the next financial year if carried forward.
Reactive Repairs	347.6	334.6	434.6	87.0	On track for revised budget.
Voids/Improvements/Adaptations	97.4	290.0	190.0	92.6	Much lower spend on voids as less upgrades and SHQS related work being carried out.
Contingency Budget	7.2	20.0	20.0	12.8	Where required.
In-House Professional Fees	-	164.7	164.7	164.7	Re-charged at year-end
TOTALS	525.4	1,244.3	1,244.3	718.9	