

Item: 5

Education, Leisure and Housing Committee: 8 September 2021.

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

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

1. Purpose of Report

To advise of the expenditure outturn on the Housing Revenue Account revenue repairs and maintenance programme for financial year 2020/21.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred against the approved revenue repairs and maintenance programme in respect of the Housing Revenue Account for financial year 2020/21, as detailed in section 4.2 of this report, indicating an underspend of £126,100 as at 31 March 2021, against an approved budget totalling £1,383,100.

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 made with delivery of the approved revenue repairs and maintenance programme 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 by Council on 10 December 2019.

3.3.

The purpose of this report is to present an overview or summary of the expenditure incurred in financial year 2020/21 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 2020 to 31 March 2021, against the approved programme and provides a breakdown of the various programmes of work undertaken during the financial year.

4.2.

The position at 31 March 2021 was expenditure of £1,257,000 against an annual budget of £1,383,100, giving an underspend of £126,100, which was transferred to the Housing Revenue Account Property Maintenance Fund, increasing the balance to £472,400 at 31 March 2021.

4.3.

The underspend position can be attributed to the COVID-19 lockdown and ongoing restrictions which impacted on the delivery of repairs and maintenance works.

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.

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 Housing Revenue Account revenue repairs and maintenance programme will result in improved accountability in relation to delivery of the approved programmes of work and ensure members are kept informed of progress.

7. Legal Aspects

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

8. Contact Officers

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9. Appendix

Appendix 1: Housing Revenue Account revenue repairs and maintenance programme - Expenditure analysis as at 31 March 2021.

Repairs and Maintenance Programme	<u>Actual Expenditure</u> 31 March 2021	<u>Approved Budget</u> 2020/21	<u>Outturn 2020/21</u>	<u>Overspend/</u> <u>(Underspend)</u>	<u>Estimated Outturn</u> 2020/21 P9	<u>Increase / (Decrease</u> <u>in reported Outturn)</u>	<u>Update</u>
	£000's	£000's	£000's	£000's	£000's	£000's	
Cyclical Maintenance	51.0	60.0	51.0	(9.0)	53.2	(2.2)	Covid-19 shutdown hindered progress on works. Good progress made on tendering works and works on site where restrictions allowed. Repairs and voids backlog substantially caught up with later in the financial year.
Planned Maintenance	469.6	500.0	469.6	(30.4)	483.0	(13.4)	
Reactive Repairs	281.1	297.7	281.1	(16.6)	264.7	16.4	
Voids/Improvements/Adaptations	235.4	328.0	235.4	(92.6)	165.4	70.0	Extra work done on forward planning and tendering planned works.
In-House Professional Fees	219.9	197.4	219.9	22.5	197.4	22.5	
TOTALS	1,257.0	1,383.1	1,257.0	(126.1)	1,163.7	93.3	