

Item: 11

Education, Leisure and Housing Committee: 15 November 2023.

Housing Revenue Account.

Revenue Repairs and Maintenance Programmes.

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 September 2023.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 September 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 with regard to 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 September 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 September 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 September 2023 was expenditure of £860,981 against an annual budget of £1,615,500, with remaining budget of £754,519.

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.

9. Appendix

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

Repairs and Maintenance Programme	<u>Actual Expenditure</u> 30 September 2023 £000's	<u>Approved Budget</u> 2023/24 £000's	<u>Overspend / (Underspend)</u> £000's	<u>Estimated Outturn</u> 2023/24 P12 £000's	<u>Predicted</u> <u>Overspend /</u> <u>(Underspend)</u> £000's	<u>Update</u>
Cyclical Maintenance	29.6	91.1	(61.5)	88.8	(2.3)	Additional cyclical maintenance programmes to commence in Q3 and Q4. Continuing high costs of delivery and materials anticipated to have an impact on costs through the remainder of the year.
Planned Maintenance	323.8	524.9	(201.1)	517.8	(7.1)	Electrical Installation Condition Reports (EICRs) have been completed through Q2. Windows and doors project to reduce in Q3 following the summer period. Roofing works will not occur this financial year and heating replacement works will commence in Q4.
Reactive Repairs	194.9	415.2	(220.3)	409.3	(5.9)	Reactive repairs continue to be dealt with as they arise, with an increase in the number of repairs noted over Q2 compared to the previous quarter. It is anticipated that there will be an increase in repairs in Q3-Q4 due to weather.
Voids/Improvements/Adaptations	312.7	368.1	(55.4)	440.1	72.0	Works being carried out in response to void properties as they become available. High costs of materials continue to have an impact. Additional spend on voids relating to Energy Efficiency Standard for Social Housing (EESH) 2 works incurred during Q1 and Q2 to meet Scottish Government energy targets; these are to be paused in Q3 and Q4.
In-House Professional Fees		216.2	(216.2)			To be charged at year-end.
TOTALS	861.0	1,615.5	(754.5)	1,456.0	56.7	