

Item: 5

Education, Leisure and Housing Committee: 5 February 2020.

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 2019.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 31 December 2019, 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, as detailed in Appendix 1 to this report.

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 31 December 2019 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 31 December 2019, against the approved programme and provides a breakdown of the various programmes of work to be undertaken during financial year 2019 to 2020.

4.2.

The position at 31 December 2019 was expenditure of £617,500 against an annual budget of £1,303,200. The anticipated outturn position is £1,533,200 which will give an overspend of £230,000. Any deficit will be funded from a contribution from the HRA Property Maintenance Fund which had a balance of £346,336 at 31 March 2019.

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 December 2019.

Appendix 1

Repairs and Maintenance Programme	Actual Expenditure at 31 December 2019 £000's	Approved Budget 2019/20 £000's	Probable Outturn 2019/20 £000's	Overspend/ (Under)spend £000's	Update
Cyclical Maintenance	34.0	46.8	58.0	11.2	Committed spend on cyclical maintenance is high this year, as we are doing more servicing of equipment such as ventilation systems, heat pumps and water testing, this is likely to continue in future years.
Planned Maintenance	255.0	540.0	618.8	78.8	Planned works including new kitchens / bathrooms, windows, roof coverings, insulation, heating systems and smoke detectors are expected to utilise this years budget and last years underspend, all provided contractors cost continues to provide value for money and their availability continues.
Reactive Repairs	141.5	422.0	300.0	(122.0)	As bad weather may affect repairs, with more issues arising, the low spend to date is likely to increase over the winter period; however a reduction in reactive repairs is anticipated in future due to spend on new windows, kitchens etc, and more frequent servicing of equipment.
Voids/Improvements/Adaptations	187.0	102.0	364.0	262.0	With opportunities to improve void properties on an ad-hoc basis continuing, this will increase spend.
In-House Professional Fees	0.0	192.4	192.4	0.0	To be charged at year-end.
TOTALS	617.5	1,303.2	1,533.2	230.0	