

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 16 AUGUST 2016

PROPERTY MAINTENANCE END OF YEAR REPORT 2015/16

1. BACKGROUND

Technical and Property Services currently manages the property maintenance budgets for all non-housing properties within Angus Council.

The 2015/16 Approved Final Budget for non-housing maintenance was set at £2,610,000. This budget covers planned maintenance, including service contracts, and unplanned maintenance. The budget also includes £262,000 in respect of the operation of the Devolved School Management [DSM] scheme which is contained within the planned element of the property maintenance budget.

2. CURRENT POSITION

Appendix 1 provides a directorate breakdown of the actual 2015/16 specific in year expenditure against the property maintenance revenue budget.

It should be noted that these expenditure figures may vary from the final position recorded in the Council's accounts for 2015/16, due to adjustments reflected in the accounts relating to prior year accruals and amounts written off in previous years, in line with guidance from the external auditor.

A summary position is detailed in Table 1 below:

Table 1 Property Maintenance Revenue Budget and Expenditure 2015/16

	Planned Maintenance	Unplanned Maintenance	Total
Budget	£1,826,000	£784,000	£2,610,000
Expenditure	£2,249,842	£838,783	£3,088,625
Variance	+£423,842	+£54,783	+£478,625
% of Budget Spent at 31/03/16	123%	107%	118%
% of Budget Spent at 31/03/15	116%	106%	113%

Table 1 above illustrates that in 2015/16 the property maintenance budget overspent by £478,625 [18%] in accordance with the expenditure recorded through the Property Service's Archimedes system. If the DSM elements were removed this would be reduced to £53,992, refer to Table 3 below.

Table 2 below sets out the DSM position:

Table 2 Devolved School Management Budget & Expenditure 2015/16

	Planned & Unplanned (D98)	Improvements (D99)	Total
Budget	£262,000		£262,000
Expenditure	£180,649	£505,984	£686,633
Variance			+£424,633
% of Budget Spent at 31/03/16			262%
% of Budget Spent at 31/03/15			148%

Under the Devolved School Management scheme the devolved budget was set aside specifically for elements of planned and unplanned maintenance work only.

As illustrated above there was an overspend of £424,633 in respect of the DSM budget in 2015/16.

Participating schools hold budgets for property maintenance where savings achieved by not incurring expenditure can be carried over into the next financial year or expended in the current financial year, but not necessarily on property maintenance. Schools have the flexibility to utilise savings, or provisions, in other budgets to invest in the school, whether for property maintenance or property improvement.

Any overspend incurred by schools on their devolved budgets is met from DSM balances from previous years or carried as a deficit into the following year in accordance with the DSM scheme. Accordingly, there is no corporate budget impact because any overspend is fully absorbed within DSM funding arrangements.

Table 3 Property Maintenance Revenue Budget & Expenditure 2015/16 [Excluding DSM]

	Planned	Unplanned Maintenance	Total
Budget [Excluding DSM]	£1,564,000	£784,000	£2,348,000
Expenditure [Excluding DSM]	£1,563,209	£838,783	£2,401,992
Variance	-£791	+£54,783	+£53,992
% of Budget Spent at 31/03/16	100%	107%	102%
% of Budget Spent at 31/03/15	98%	109%	101%

3. FINANCIAL IMPLICATIONS

It will be noted from Table 1 that there is an overall overspend of £478,115 [18%] on property maintenance in financial year 2015/16. It can be seen from Tables 2 and 3 above that this is due to a combination of a managed overspend on Devolved School Management [£424,633] and a net overspend of £53,992 on the planned and unplanned maintenance elements for other non-housing council properties. However, all overspends have been progressed on a managed basis and absorbed within the cash limited budgets available to Council departments.

Action has been taken, through the Budget Setting process for recent financial years, to successfully make the case for incremental increases to begin to address the impact of inflation on the otherwise static, since 1996, property maintenance budget. The subsequent approved adjustments are detailed in Table 4 below.

Table 4 Maintenance Budget Approved Adjustments

Year	Budget Increase
2011/12	£200,000
2012/13	£300,000 [£150K permanent & £150K one-off]
2013/14	£100,000
2014/15	£150,000 [addition to unplanned maintenance]
2015/16	£50,000

These increases have been very beneficial. However, the majority of these have necessarily been used to accommodate the increasing costs of Service Contracts. Unfortunately this diminishes the ability to use these increases to improve support of planned maintenance activities.

Service Contracts involve the cyclical inspection, maintenance and repair of critical systems in compliance with legislative duties and Professional Best Practice standards, to maintain a safe and compliant environment for Council staff and visitors within and around Council buildings, eg electrical testing, water treatment, lifts, hoists, gas installations, fire alarm and emergency lighting and stage lighting and scenery hoisting systems, etc.

Members are reminded that, in addition to the revenue budget covered by this report significant investment in property maintenance works is also undertaken using the Property Renewal & Repair Fund each year. The level of that funding is however subject to the vagaries of the budget setting process and depends on sufficient resources being available.

List of Appendices:

Appendix 1 – Property Maintenance Revenue Budget 2015/16

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Appendix 1 Property Maintenance Revenue Budget 2015/2016

		Department	Planned Maintenance Spend	Unplanned Maintenance Spend	Total Spend	Budget 2015/2016	Variance	% Spend	
PR	Property	Centralised Property Maintenance	£700,133	£0	£700,133	£701,000	-£867	100%	a
SL		Schools & Learning	£495,849	£301,937	£797,786	£777,000	+£20,786	103%	b
SL		Devolved School Management	£686,633	£0	£686,633	£262,000	+£424,633	262%	c
QP	People	Quality & Performance	£4,681	£4,258	£8,939	£11,000	-£2,061	81%	
CYP		Children & Young People	£11,806	£26,569	£38,375	£39,000	-£625	98%	d
AS		Adult Services	£49,897	£84,056	£133,953	£142,000	-£8,047	94%	e & f
CE	Chief Executive	Chief Executive	£566	£7,753	£8,319	£8,000	+£319	104%	
EC		Economic Development	£1,732	£14,861	£16,593	£17,000	-£407	98%	
CT		Corporate Improvement & Finance	£2,157	£5,943	£8,100	£12,000	-£3,900	68%	
LD		Angus House HQ	£4,828	£14,113	£18,941	£16,000	+£2,941	118%	
PD	Resources	Legal & Democratic Services	£1,819	£2,322	£4,141	£5,000	-£859	83%	
RE		Registrars	£1,476	£1,110	£2,586	£1,000	+£1,586	259%	g
IT		Information Technology	£3,382	£3,304	£6,686	£7,000	-£314	96%	
CD	Communities	Directorate	£18,119	£15,234	£33,353	£42,000	-£8,647	79%	h
RO		Roads	£7,085	£2,723	£9,808	£11,000	-£1,192	89%	
TR		Technical & Property Services	£171	£1,818	£1,989	£2,000	-£11	99%	
PR		Property	£3,516	£9,868	£13,384	£16,000	-£2,616	84%	
HO		Housing [HRA Funded]	£6,125	£20,750	£26,875	£23,000	+£3,875	117%	
HOOT		Other Housing [Dewar House]	£11,908	£7,787	£19,695	£24,000	-£4,305	82%	i
CLD		Community Planning	£14,906	£11,228	£26,134	£21,000	+£5,134	124%	j
BG		Burial Grounds	£20,508	£7,789	£28,297	£26,000	+£2,297	109%	
PG		Regulatory Protective & Prevention Services	£16,087	£22,384	£38,471	£41,000	-£2,529	94%	
WM		Waste Management	£15,751	£24,453	£40,204	£36,000	+£4,204	112%	
SC		Services to Communities HQ	£1,181	£2,788	£3,969	£5,000	-£1,031	79%	
SF		Sports Facilities	£89,229	£165,428	£254,657	£219,000	+£35,657	116%	k
CNS		Countryside Services	£8,673	£10,212	£18,885	£17,000	+£1,885	111%	
CST		Theatre	£4,649	£11,928	£16,577	£13,000	+£3,577	128%	
CSL		Libraries & Archives	£14,431	£21,449	£35,880	£33,000	+£2,880	109%	
AO		Access Offices	£7,133	£22,110	£29,243	£24,000	+£5,243	122%	
CSM		Museums & Galleries	£5,590	£14,608	£20,198	£19,000	+£1,198	106%	
MZ	Other Services	Upkeep of Clocks	£11,270	£0	£11,270	£11,000	+£270	102%	l
MZ		Upkeep of War Memorials	£27,903	£0	£27,903	£28,000	-£97	100%	m
CG	Common Good	Common Good Properties	£648	£0	£648	£1,000	-£352	65%	
			£2,249,842	£838,783	£3,088,625	£2,610,000	+£478,625	118%	

- Note:**
- a The budget figure differs from the FBV as there was a £20K virement from Other Housing's Planned Maintenance.
 - b Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - c DSM overspent by £424,633. Under the DSM scheme the schools are responsible for the management of over or underspends in any financial year.
 - d The budget figure differs from the FBV as there was a £2K virement from Adult Services due to the transfer of CJS properties.
 - e The budget figure differs from the FBV as there was a £2K virement to Children & Young People due to the transfer of CJS properties.
 - f Lower than anticipated spend on unplanned maintenance.
 - g All unplanned maintenance expenditure is the responsibility of Legal & Democratic Services.
 - h Lower than anticipated spend on unplanned maintenance.
 - i The budget figure differs from the FBV as there was a £20K virement from Planned Maintenance to Centralised Property Maintenance.
 - j Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - k Higher than anticipated spend on unplanned maintenance which will be contained within Services to Communities' Revenue budgets.
 - l The budget figure differs from the FBV as there was a £5K virement from Upkeep of War Memorials.
 - m The budget figure differs from the FBV as there was a £5K virement to Upkeep of Clocks.

