

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 18 AUGUST 2015

PROPERTY MAINTENANCE END OF YEAR REPORT 2014/15

1. BACKGROUND

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

The 2014/15 Approved Final Budget for non-housing maintenance was set at £2,557,000. 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 2014/15 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 2014/15, 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 & Expenditure 2014/15

	Planned Maintenance	Unplanned Maintenance	Total
Budget	£1,767,000	£790,000	£2,557,000
Expenditure	£2,056,874	£839,435	£2,896,309
Variance	+£289,874	+£49,435	+£339,309
% of Budget Spent at 31/03/15	116%	106%	113%
% of Budget Spent at 31/03/14	105%	109%	106%

Table 1 above illustrates that in 2014/15 the property maintenance budget overspent by £339,309 [13%] in accordance with the expenditure recorded through the Property Service's Archimedes system. If the DSM elements were removed this would be reduced to £37,027, refer to Table 3 below.

Table 2 below sets out the DSM position:

Table 2 Devolved School Management Budget & Expenditure 2014/15

	Planned & Unplanned [D98]	Improvements [D99]	Total
Budget	£262,000		£262,000
Expenditure	£184,331	£379,951	£564,282
Variance			+£302,282
% of Budget Spent at 31/03/15			215%
% of Budget Spent at 31/03/14			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 £302,282 in respect of the DSM budget in 2014/15.

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.

The remaining additional in year spend on non-DSM properties is due to £10,000 being carried forward to 2015/16, depicting an underspend on planned maintenance and an overspend on the unplanned maintenance budget, as illustrated in Table 3.

Table 3 Property Maintenance Revenue Budget & Expenditure 2014/15 [Excluding DSM]

	Planned Maintenance	Unplanned Maintenance	Total
Budget [Excluding DSM]	£1,505,000	£790,000	£2,295,000
Expenditure [Excluding DSM]	£1,492,592	£839,435	£2,332,027
Variance	-£12,408	+£49,435	+£37,027
% of Budget Spent at 31/03/15	99%	106%	102%
% of Budget Spent at 31/03/14	98%	109%	101%

3. FINANCIAL IMPLICATIONS

It will be noted from Table 1 that there is an overall overspend of £339,309 [13%] on property maintenance in financial year 2014/15. 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 [£302,282] and a net overspend of £37,027 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 payment]
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 2014/15

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Appendix 1 – Property Maintenance Revenue Budget 2014/15

		Department	Planned Maintenance Spend	Unplanned Maintenance Spend	Total Spend	Budget 2014/15	Variance	% Spend		
Property		Centralised Property Maintenance	£720,883	£0	£720,883	£721,000	£117	100%	a	
People		Schools & Learning	£395,799	£315,332	£711,131	£677,000	£34,131	105%	b	
		Devolved School Management	£564,282	£0	£564,282	£262,000	£302,282	215%	c	
		Quality & Performance	£3,979	£4,980	£8,959	£10,000	£1,041	90%	d	
		Children & Young People	£11,928	£26,854	£38,782	£48,000	£9,218	81%	e	
		Adult Services	£104,953	£99,558	£204,511	£197,000	£7,511	104%	f	
Chief Executive		Chief Executive	£16,389	£5,709	£22,098	£23,000	£902	96%		
		Economic Development	£1,856	£12,842	£14,698	£17,000	£2,302	86%		
Resources		Corporate Improvement & Finance	Finance Revenues	£2,305	£9,103	£11,408	£12,000	£592	95%	
		Legal & Democratic Services	Angus House HQ	£5,291	£12,139	£17,430	£16,000	£1,430	109%	
			Print Unit	£1,669	£2,309	£3,978	£5,000	£1,022	80%	
			Registrars	£1,702	£2,208	£3,910	£1,000	£2,910	391%	g
		Organisational Change	Information Technology	£1,255	£843	£2,098	£8,000	£5,902	26%	
Communities		Directorate	Directorate	£5,201	£23,867	£29,068	£29,000	£68	100%	
		Technical & Property Services	Roads	£691	£595	£1,286	£5,000	£3,714	26%	
			Transport [Bus Station]	£165	£2,694	£2,859	£2,000	£859	143%	
			Property	£3,885	£10,533	£14,418	£16,000	£1,582	90%	
		Planning & Place	Housing [HRA Funded]	£3,519	£18,026	£21,545	£20,000	£1,545	108%	
			Other Housing [Dewar House]	£20,944	£12,204	£33,148	£32,000	£1,148	104%	
			Community Planning	£2,825	£10,011	£12,836	£11,000	£1,836	117%	
		Regulatory Protective & Prevention Services	Burial Grounds	£2,180	£5,948	£8,128	£10,000	£1,872	81%	
			Parks & Gardens	£9,187	£25,306	£34,493	£34,000	£493	101%	
			Waste Management	£9,899	£19,207	£29,106	£30,000	£894	97%	
		Services to Communities	Services to Communities HQ	£1,290	£1,598	£2,888	£5,000	£2,112	58%	
			Sports Facilities	£72,082	£143,617	£215,699	£204,000	£11,699	106%	
			Countryside Services	£9,931	£9,921	£19,852	£19,000	£852	104%	h
			Theatre	£4,882	£15,577	£20,459	£13,000	£7,459	157%	
			Libraries & Archives	£11,799	£20,592	£32,391	£32,000	£391	101%	i
Access Offices	£17,299		£13,334	£30,633	£34,000	£3,367	90%			
Museums & Galleries	£5,839		£14,528	£20,367	£21,000	£633	97%			
Other Services		Upkeep of Clocks	£5,355	£0	£5,355	£6,000	£645	89%		
		Upkeep of War Memorials	£36,970	£0	£36,970	£36,000	£970	103%		
Common Good		Common Good Properties	£640	£0	£640	£1,000	£360	64%		
			£2,056,874	£839,435	£2,896,309	£2,557,000	£339,309	113%		

- Note:**
- a The budget figure differs from the FBV as there was a £4K virement from Chief Executive's Planned Maintenance.
 - b SL – Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - c SL – DSM overspent by £302,282. Under the DSM scheme each school is responsible for the management of over or underspends in any financial year.
 - d CYP – Underspend due to a £9K carry forward to 2015/16.
 - e AS – Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - f The budget figure differs from the FBV as there was a £4K virement from Planned Maintenance to Centralised Property Maintenance.
 - g All Unplanned Maintenance is the responsibility of Legal & Democratic Services.
 - h SF – Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - i CST – Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.