

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 13 NOVEMBER 2018

PROPERTY MAINTENANCE END OF YEAR REPORT 2017/18

1. BACKGROUND

Infrastructure – Assets currently manages the property maintenance budgets for all non-housing properties within Angus Council.

The 2017/18 Approved Final Budget for non-housing maintenance was set at £2,553,000. This budget covers planned maintenance, 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 2017/18 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 2017/18. This is 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 2017/18

	Planned Maintenance	Unplanned Maintenance	Total
Budget	£1,775,900	£777,000	£2,552,900
Expenditure	£1,997,406	£813,399	£2,810,805
Variance	+	+	+
% of Budget Spent at 31/03/18	112%	105%	110%
% of Budget Spent at 31/03/17	115%	97%	110%

Table 1 above illustrates that in 2017/18 the property maintenance budget overspent by £257,905 [10%] in accordance with the expenditure recorded through the Assets' Archimedes system. If the DSM elements were removed this would be reduced to an overspend of £47,248, refer to Table 3 below.

Table 2 below sets out the DSM position:

Table 2 Devolved School Management Budget & Expenditure 2017/18

	Planned & Unplanned (D98)	Improvements (D99)	Total
Budget	£262,000		£262,000
Expenditure	£190,194	£282,463	£472,657
Variance			+
% of Budget Spent at 31/03/18			180%
% of Budget Spent at 31/03/17			217%

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 £210,657 in respect of the DSM budget in 2017/18.

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 2017/18 [Excluding DSM]

	Planned	Unplanned Maintenance	Total
Budget [Excluding DSM]	£1,513,900	£777,000	£2,290,900
Expenditure [Excluding DSM]	£1,524,749	£813,399	£2,338,148
Variance	+£10,849	+£36,399	+£47,248
% of Budget Spent at 31/03/18	101%	105%	102%
% of Budget Spent at 31/03/17	100%	97%	99%

3. FINANCIAL IMPLICATIONS

It will be noted from Table 1 that there is an overall overspend of £257,905 [10%] on property maintenance in financial year 2017/18. 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 [£210,657] and a net overspend of £47,248 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.

Members are reminded that, in addition to the revenue budget covered by this report, significant investment in property maintenance works was previously provided through the Property Renewal & Repair Fund on an annual basis. This avenue of funding is no longer available due to the Council's current budget restrictions. This has been partly offset by Capitalisation of Renewal & Repair bids in recent years. The recent allocation of Capital from the Supplementary Budget Allocation Headroom resulted in £1,700,000 of funding being split over 4 years from 18/19 to 21/22. Thereafter, no further funding is available from these sources. As part of the Council's Change Programme, reductions have already been applied to the Property Maintenance Budget in line with adjustments to the current stock, and this will be ongoing. Although budgets are currently in place from various sources, future levels of funding for maintenance will need to be considered to take into account the impact of inflation increases.

4. REPORT AUTHOR

This report and associated schedules has been compiled by Ian Cochrane, Head of Infrastructure who can be contacted by emailing Communities@angus.gov.uk.

List of Appendices:

Appendix 1 – Property Maintenance Revenue Budget 2017/18

Appendix 1 Property Maintenance Revenue Budget 2017/18

		Department	Planned Maintenance Spend	Unplanned Maintenance Spend	Total Spend	Budget 2017/18	Variance	% Spend	
PR	Property	Centralised Property Maintenance	£641,159	£0	£641,159	£637,000	£4,159	101%	
SL		Schools & Learning	£434,176	£296,707	£730,883	£711,000	£19,883	103%	a
SL		Devolved School Management	£472,657	£0	£472,657	£262,000	£210,657	180%	b
QP	People	Quality & Performance	£3,540	£5,717	£9,257	£9,000	£257	103%	
CYP		Children & Young People	£42,105	£41,327	£83,432	£72,000	£11,432	116%	c
IT		Information Technology	£1,039	£841	£1,880	£4,000	£2,120	47%	
AS	Integrated Joint Board	Adult Services	£73,151	£91,686	£164,837	£159,000	£5,837	104%	
CE	Chief Executive	Chief Executive	£594	£6,404	£6,998	£8,000	£1,002	87%	
EC		Economic Development	£2,189	£12,316	£14,505	£17,000	£2,495	85%	
CLD		Community Planning	£9,234	£9,113	£18,347	£18,000	£347	102%	
CD	Directorate	Directorate	£35,156	£11,568	£46,724	£55,000	£8,276	85%	
RO	Technical & Property Services	Roads	£6,112	£1,288	£7,400	£8,000	£600	93%	
TR		Transport [Bus Station]	£179	£1,407	£1,586	£2,000	£414	79%	
PR		Property	£18,972	£20,498	£39,470	£31,000	£8,470	127%	
HOOT	Planning & Place	Planning & Place [Dewar House]	£1,055	£6,545	£7,600	£12,000	£4,400	63%	
BG	Regulatory & Protective Services	Burial Grounds	£14,066	£8,105	£22,171	£17,000	£5,171	130%	
PG		Parks & Gardens	£38,555	£22,363	£60,918	£66,000	£5,082	92%	
WM		Waste Management	£14,442	£28,242	£42,684	£34,000	£8,684	126%	
S2C	Services to Communities	Services to Communities	£5,918	£14,231	£20,149	£15,000	£5,149	134%	
SC		The Yard	£662	£250	£912	£5,000	£4,088	18%	
SF	Place	Sports Facilities	£57,623	£130,200	£187,823	£182,000	£5,823	103%	
CNS	Services to Communities	Countryside Services	£18,880	£14,555	£33,435	£27,000	£6,435	124%	
CST		Theatre	£4,829	£13,192	£18,021	£19,000	£979	95%	
CSL		Libraries & Archives	£19,173	£23,308	£42,481	£38,000	£4,481	112%	
AO		Access Offices	£14,918	£12,064	£26,982	£25,000	£1,982	108%	
CSM		Museums & Galleries	£5,689	£12,580	£18,269	£19,000	£731	96%	
LD	Legal & Democratic Services	Angus House HQ	£5,722	£10,497	£16,219	£17,000	£781	95%	
PD		Print Unit	£3,518	£1,794	£5,312	£7,000	£1,688	76%	
RE		Registrars	£1,540	£1,384	£2,924	£2,000	£924	146%	
CORP	Change Programme	Corporate Properties	£1,493	£3,910	£5,403	£7,000	£1,597	77%	
SP		Surplus Properties	£1,744	£3,981	£5,725	£9,000	£3,275	64%	
MZ	Other Services	Upkeep of Clocks	£9,446	£0	£9,446	£6,000	£3,446	157%	
MZ		Upkeep of War Memorials	£31,249	£0	£31,249	£36,000	£4,751	87%	
CG	Common Good	Common Good Properties	£594	£0	£594	£1,000	£406	59%	
HO	Housing Revenue Account	Housing [HRA Funded]	£6,027	£7,326	£13,353	£16,000	£2,647	83%	
			£1,997,406	£813,399	£2,797,452	£2,553,000	£260,452	110%	

- Note:**
- a Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - b DSM overspent. Under the DSM scheme the schools are responsible for the management of over or underspends in any financial year.
 - c Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.