

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 8 OCTOBER 2019

PROPERTY MAINTENANCE END OF YEAR REPORT 2018/19

1. BACKGROUND

The Infrastructure – Assets team manage the council's property maintenance budgets for all non-housing properties within Angus Council.

The 2018/19 Approved Final Budget for non-housing maintenance was set at £2,558,000. 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

2.1 Appendix 1 provides a directorate breakdown of the actual 2018/19 specific in year expenditure against the property maintenance revenue budget.

2.2 It should be noted that these expenditure figures may vary from the final position recorded in the Council's accounts for 2018/19. 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.

2.3 A summary position is detailed in Table 1 below:

Table 1 Property Maintenance Revenue Budget & Expenditure 2018/19

	Planned Maintenance	Unplanned Maintenance	Total
Budget	£1,778,200	£780,000	£2,558,200
Expenditure	£2,068,777	£840,502	£2,909,279
Variance	+£290,577	+£60,502	+£351,079
% of Budget Spent at 31/03/19	116%	108%	114%
% of Budget Spent at 31/03/18	115%	97%	110%

Table 1 above illustrates that in 2018/19 the property maintenance budget overspent by £351,079 [14%] 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 £61,864 [3%] [refer to Table 3 below].

Table 2 below sets out the DSM position:

Table 2 Devolved School Management Budget & Expenditure 2018/19

	Planned & Unplanned (D98)	Improvements (D99)	Total
Budget	£262,000		£262,000
Expenditure	£211,062	£340,153	£551,215
Variance			+£289,215
% of Budget Spent at 31/03/19			210%
% of Budget Spent at 31/03/18			180%

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

2.5 As illustrated above there was an overspend of £289,215 in respect of the DSM budget in 2018/19.

- 2.6 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.
- 2.7 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 2018/19 [Excluding DSM]

	Planned	Unplanned Maintenance	Total
Budget [Excluding DSM]	£1,516,200	£780,000	£2,296,200
Expenditure [Excluding DSM]	£1,517,562	£840,502	£2,358,064
Variance	+£1,362	+£60,502	+£61,864
% of Budget Spent at 31/03/19	100%	108%	103%
% of Budget Spent at 31/03/18	100%	97%	99%

3. FINANCIAL IMPLICATIONS

- 3.1 It will be noted from Table 1 that there is an overall overspend of £351,079 [14%] on property maintenance in financial year 2018/19. 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 [£289,215] and a net overspend of £61,864 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.
- 3.2 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 and from additions to the Council estate, including Early Years properties.

4. REPORT AUTHOR

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

List of Appendices:

Appendix 1 – Property Maintenance Revenue Budget 2018/19

Property Maintenance Revenue Budget 2018/19

		Department	Planned Maintenance Spend	Unplanned Maintenance Spend	Total Spend	Budget 2018/19	Variance	% Spend		
PR	Property	Centralised Property Maintenance	£743,840	£0	£743,840	£742,000	+£1,840	100%		
SL	People	Schools & Learning	£373,729	£309,441	£683,170	£656,000	+£27,170	104%	a, b	
SL		Devolved School Management	£551,242	£0	£551,242	£262,000	+£289,242	210%	c	
CYP		Children, Families & Justice	£25,634	£30,016	£55,650	£55,000	+£650	101%		
IT		Digital Enablement & IT	£2,050	£158	£2,208	£4,000	-£1,792	55%		
HR		HR & Business Support	£0	£1,674	£1,674	£1,000	+£674	167%		
AS	Angus Health & Social Care Partnership	Adult Services	£25,030	£79,866	£104,896	£105,000	-£104	100%		
EC	Strategic Policy Transformation & Public Sector Reform	Strategic Policy & Economy	Economic Development	£2,013	£20,026	£22,039	£17,000	+£5,039	130%	
RO	Place	Infrastructure	Roads	£102	£2,677	£2,779	£4,000	-£1,221	69%	
TR			Transport [Bus Station]	£184	£944	£1,128	£2,000	-£872	56%	
BG		Environmental Services	Burial Grounds	£2,155	£10,494	£12,649	£12,000	+£649	105%	
PG			Parks & Gardens	£31,744	£24,250	£55,994	£54,000	+£1,994	104%	
WM			Waste Management	£7,388	£32,409	£39,797	£33,000	+£6,797	121%	
CLD		Communities	Community Planning	£947	£959	£1,906	£7,000	-£5,094	27%	
S2C			Services to Communities	£3,741	£15,853	£19,594	£20,000	-£406	98%	
SF			Sports Facilities	£107,765	£124,000	£231,765	£230,000	+£1,765	101%	
CNS			Countryside Services	£27,592	£16,879	£44,471	£39,000	+£5,471	114%	
CST			Theatre	£4,278	£10,788	£15,066	£18,000	-£2,934	84%	
CSL			Libraries & Archives	£29,391	£23,126	£52,517	£72,000	-£19,483	73%	d, e
AO			Access Offices	£848	£3,399	£4,247	£5,000	-£753	85%	f
CSM			Museums & Galleries	£4,850	£12,602	£17,452	£18,000	-£548	97%	
PD		Finance & Legal	Print Unit	£1,194	£4,165	£5,359	£4,000	+£1,359	134%	
RE			Registrars	£1,410	£677	£2,087	£2,000	+£87	104%	
CORP		Facilities Management	Corporate Properties	£37,723	£66,512	£104,235	£109,000	-£4,765	96%	g
SP			Surplus Properties	£10,251	£24,693	£34,944	£28,000	+£6,944	125%	
MZ	Other Services	Upkeep of Clocks	£7,062	£0	£7,062	£6,000	+£1,062	118%		
MZ		Upkeep of War Memorials	£35,492	£0	£35,492	£36,000	-£508	99%		
CG	Common Good	Common Good Properties	£676	£0	£676	£1,000	-£324	68%		
HO	Housing Revenue Account	Housing [HRA Funded]	£5,446	£24,894	£30,340	£16,000	+£14,340	190%	h	
			£2,043,777	£840,502	£2,853,939	£2,558,000	+£326,279	112%		

- Note:**
- a** Budget figure differs from Final Budget Volume as £3K vired from Access Offices.
 - b** Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.
 - c** DSM overspent. Under the DSM scheme the schools are responsible for the management of over or underspends in any financial year.
 - d** Budget figure differs from Final Budget Volume as £33K vired from Access Offices.
 - e** Showing an underspend as £22K to be vired to Montrose Library capital project.
 - f** Budget figure differs from Final Budget Volume as £55K vired to other client departments.
 - g** Budget figure differs from Final Budget Volume as Montrose Town House transferred from AO to CORP and £20K vired from AO.
 - h** Higher than anticipated spend on unplanned maintenance which will be contained within the client department's Revenue budgets.