

**WORTHING THEATRES REVIEW - MAINTENANCE WORK AND RECHARGES  
REPORT BY SARAH GOBEY, CHIEF FINANCIAL OFFICER**

**1.0 SUMMARY**

- 1.1 This report informs members of the process and procedures for the charges made for building maintenance works and the recharges applied by the Business and Technical Services section

**2.0. BACKGROUND**

- 2.1 Following a substantial overspend of £484,000 by Worthing Theatres in 2013/14 a scrutiny review was commissioned whose brief was to review of the Business Plan for Worthing Theatres and to examine what has and has not been delivered. The review included an assessment of:-
- Income targets versus Actual expenditure;
  - Budgeting controls in place;
  - Catering and events costs/income;
  - Benchmarking information to review how the theatres provision in Worthing compares with other local theatres provision;
  - Marketing expenditure and the marketing approach.
- 2.2 One of the recommendations from this review was that the Committee receives a report on policy and procedures relating to recharges applied by the Business and Technical Services section, to provide greater openness and transparency on the recharging system.

**3.0 CHARGES FOR BUILDING MAINTENANCE WORK**

- 3.1 There are two aspects to the charges made for building maintenance works:

1. Charges made for the building maintenance works undertaken. These works are normally either for routine maintenance or reactive repairs

2. Recharges for the professional services provided by the surveying and engineering teams.

The processes and procedures associated with these aspects are detailed below.

### 3.2 **Building maintenance charges:**

- 3.2.1 Works and services carried out at our theatre venues consist of either *routine maintenance* or *reactive repairs*. The term "*routine maintenance*" includes all the servicing and maintenance checks to ensure we operate our buildings safely. This will include roof checks, emergency lighting, fall arrest systems, inspection of hoists, legionnaires testing etc. This heading will also cover service contracts for heating systems, fire/intruder alarm systems, fire extinguishers etc.
- 3.2.2 *Reactive repairs* will include those items that require repair during the course of the theatres day to day operations. These will include repairs to toilets, doors and windows, heating system, electrical installations, flooring, roof repairs etc. Some of these repairs will be as a result of vandalism. Where we can, some minor re decorations are also carried out within this heading and the Surveying team will work with the Theatres Operations Manager to agree any works. Regular meetings are held now between the Operations Manager and the Head of Business & Technical Services to discuss maintenance and repair issues.
- 3.2.3 The Councils have a contract for most regular maintenance on corporate buildings in place. In 2013/14 Adur Building Services (part of Adur Homes) won the contract and provided maintenance services on all corporate buildings, including the Theatres. The prices charged for any work undertaken is detailed in a schedule of works which is agreed when the contract is let. Adur Building Services will only carry out routine maintenance issues where they have the skills to do so.
- 3.2.3 Specialised work, not contained within the main contract, is procured as and when required by obtaining quotations from qualified suppliers in accordance with the Councils contract standing orders. For some categories, (eg Electrical) the council has tendered contracts for a fixed period of time.

3.2.4 As work is completed, the relevant supplier will invoice the Council. These bills are paid each week once the invoice has been certified as correct.

3.2.5 However, in 2013/14, the Councils were not billed promptly for the work undertaken by Adur Building services which led to delay in when the Council settled the bills.

### 3.3 Recharges for professional services:

3.3.1 All support services recharge for the cost of support at the end of the financial year. The concept of recharging central support and departmental management support costs to 'front-line services' is based on the CIPFA Service Reporting Code of Practice. The fundamental accounting principal is that the cost of a service should reflect all of the costs incurred in the delivery of the service including any 'back office' costs.

3.3.2 With respect to surveying and engineering services, the cost of the service is allocated on the basis of time spent on individual services.

## 4.0 LEGAL IMPLICATIONS

4.1 There are no legal implications arising from this report

## 5.0 FINANCIAL IMPLICATIONS

5.1 Overall the expenditure in 2013/14 for theatre budgets managed by Business and Technical Services was as follows:

	Budget £	Actual £	Over (-) / Under Spend £
Building maintenance	125,990	101,027.34	24,962.66
Technical Services recharges	60,200	75,911.02	-15,711.02
Total	186,190	176,938.36	9,251.64

## 6.0 RECOMMENDATIONS

**6.1 The Joint Overview and Scrutiny Committee is asked to note the content of this report.**

**Local Government Act 1972**

**Background Papers:**

Reports to the Joint Strategic Committee

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## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

1.1 Matter considered and no issues identified

### **2.0 SPECIFIC ACTION PLANS**

2.1 Matter considered and no issues identified

### **3.0 SUSTAINABILITY ISSUES**

3.1 Matter considered and no issues identified

### **4.0 EQUALITY ISSUES**

4.1 Matter considered and no issues identified

### **5.0 COMMUNITY SAFETY ISSUES (SECTION 17)**

5.1 Matter considered and no issues identified

### **6.0 HUMAN RIGHTS ISSUES**

6.1 Matter considered and no issues identified

### **7.0 REPUTATION**

7.1 Matter considered and no issues identified

### **8.0 CONSULTATIONS**

8.1 Matter considered and no issues identified

### **9.0 RISK ASSESSMENT**

9.1 Matter considered and no issues identified

### **10.0 HEALTH and SAFETY ISSUES**

10.1 Matter considered and no issues identified

### **11.0 PROCUREMENT STRATEGY**

11.1 Matter considered and no issues identified

**12.0 PARTNERSHIP WORKING**

12.1 Matter considered and no issues identified