



Exeter City Council

To the Chair and Members
of the Executive

Philip Bostock, Chief Executive

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A meeting of the **EXECUTIVE** will be held in the Rennes Room, Civic Centre, Paris Street, Exeter at **5.30 pm** on **TUESDAY 10 FEBRUARY 2009** to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Rowena Whiter, Member Services Manager on **Exeter 265110**.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Pages

A G E N D A

Part I: Items suggested for discussion with the press and public present

1

DECLARATIONS OF INTEREST

Councillors are reminded of the need to declare personal and prejudicial interests, including the nature and extent of such interests, in relation to business on the agenda, before any discussion takes place on the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

2

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of item 14 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 4 of Part 1, Schedule 12A of the Act.

3

GENERAL FUND REVENUE ESTIMATES AND CAPITAL PROGRAMME 2009/10 TO 2010/11

To consider the report of the Head of Treasury Services.

1 - 36

Scrutiny Committee – Resources considered the proposed estimates and capital programme at their meeting on 28 January 2009 and their comments will be reported.

(Report circulated)

4 **ANNUAL INVESTMENT STRATEGY 2009-2010**

To consider the report of the Head of Treasury Services. 37 - 46

Scrutiny Committee – Resources considered the report at their meeting on 28 January 2009 and their comments will be reported.

(Report circulated)

5 **THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES**

To consider the report of the Head of Treasury Services. 47 - 66

(Report circulated)

6 **CORPORATE DEBT POLICY**

To consider the report of the Head of Treasury Services. 67 - 72

Scrutiny Committee – Resources considered the report at their meeting on 28 January 2009 and their comments will be reported.

(Report circulated)

7 **AUTHORISED SIGNATORIES FOR AFFORDABLE HOUSING SCHEMES**

To consider the report of the Head of Housing Services. 73 - 74

(Report circulated)

8 **RESULTS OF CONSULTATION ON ALPHIN BROOK CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN**

To consider the report of the Head of Planning and Building Control. 75 - 88

(Report circulated)

9 **PROPOSED EXTENSION TO HEAVITREE CONSERVATION AREA**

To consider the report of the Head of Planning and Building Control. 89 - 94

(Report circulated)

10 **STAFFING TERMS AND CONDITIONS OF EMPLOYMENT**

To consider the report of the Director Corporate Services and Head of Human Resources. 95 - 106

(Report circulated)

11 **COUNCILLORS ALLOWANCES 2009/10**

To consider the report of the Assistant Chief Executive. 107 - 118

(Report circulated)

12 **AMENDMENT TO STANDING ORDERS - ELECTION OF COMMITTEE CHAIRS AND DEPUTY CHAIRS**

To consider the report of the Assistant Chief Executive. 119 - 122

(Report circulated)

13 **MEMBERSHIP OF COMMITTEES**

RECOMMENDED that Councillor Shepherd be appointed to Scrutiny Committee – Resources to replace Councillor Boyle.

Part II: Items suggested for discussion with the press and public excluded

14 **DELETION OF TEMPORARY CONTRACTS**

To consider the report of the Director Corporate Services and Head of Human Resources in relation to a number of fixed term contracts. 123 - 124

(Report circulated to Members)

<u>DATE OF NEXT MEETING</u>

The next scheduled meeting of the Executive will be held on **Tuesday 24 March 2009** at 5.30 pm in the Civic Centre.

A statement of the executive decisions taken at this meeting will be produced and made available as soon as reasonably practicable after the meeting. It may be inspected on application to the Customer Service Centre at the Civic Centre or by direct request to the Member Services Manager on 01392 265110. Minutes of the meeting will also be published on the Council's web site as soon as possible.

Membership -

Councillors Fullam (Chair), S Brock, Cole, Edwards, R M Hannaford, Mrs Henson, Mitchell, Mrs J Morrish and Wadham

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<http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Member Services Officer on (01392) 265115 for further information.

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EXETER CITY COUNCIL

EXECUTIVE
10 FEBRUARY 2009

GENERAL FUND REVENUE ESTIMATES AND CAPITAL PROGRAMME FOR 2009/10 TO 2011/12

1. PURPOSE OF THE REPORT

- 1.1 To approve the General Fund revenue estimates for 2008/09 and to recommend the Band D level of Council Tax for 2008/09. This report also includes the proposed Capital Programme for 2008/09 and future years, and a note of the proposals in respect of the Housing Revenue Account.

2. BACKGROUND

- 2.1 At its meeting of 9 December 2008, the Executive approved a budget strategy based upon key assumptions including the likely level of available resources and the proposed new revenue bids and other identified spending pressures. This strategy, including the revised medium term financial plan, indicated that the Council can afford to fund its proposed spending plan in the short term to medium term by utilising some of its balances and reserves. However there are a number of spending pressures that the Council needed to be made aware of. In particular the impact of borrowing to fund the Council's future capital programme and the reduction of income in some service areas will add more pressure to the revenue budget in future years. Implicit within the budget strategy and medium term financial plan is the requirement to identify ongoing cashable efficiency savings.
- 2.2 The Government has now announced the provisional local government finance settlement for 2009/10 and this was in line with previous forecasts. For Exeter the guideline figure is as follows:

- Formula Grant £11,998,852 (increase 0.9% against 2008/09 grant)

The provisional settlement now indicates that in cash terms our grant will only increase by £105,936 against the 2008/09 grant amount of £11,892,916.

3. KEY ASSUMPTIONS

- 3.1 In producing the Council's medium term financial plan and annual revenue budget a number of factors have to be taken into consideration. Economic factors outside of our control such as inflation, interest rates, and economic growth etc. can have a huge impact upon the Council's overall financial position. Consequently it is necessary to make a number of assumptions on such issues so that a meaningful financial plan can be produced.
- 3.2 The following assumptions have been made with regard to the revenue budget for 2009/10:
- Pay award 1.5%
 - General Inflation Nil (see para 3.4 below)
 - Income 5.0% (2.8% where VAT is applicable)

- Interest on Investments 3.0%

- 3.3 An interim pay award for the current year has now been settled. The estimates include a provision for pay inflation of 1.5% for next year.
- 3.4 As a means of finding efficiency savings many non-pay budgets will not be fully increased for inflation. There will be some exceptions to this in particular where there are ongoing contractual arrangements in place and where the Council has to meet the full price increase e.g. insurance, fuel and electricity. Recently released figures show that UK inflation fell again in December as oil, food and transport costs fell. The Consumer Prices Index (CPI) measure dropped to 3.1% from a peak of 5.2% in September. The Retail Prices Index (RPI), the alternative measure of inflation which includes housing costs, fell even more dramatically to 0.9%. Although the Government no longer produce targets for the RPI it is still used to determine increases in pensions, benefits and pay negotiations. With regard to next year, the Bank of England has said inflation could fall below its target of 2% and might drop as low as 1%. With regard to the RPI many economic forecasters are currently predicting that the UK's retail price index will turn negative next year.
- 3.5 In November the Bank of England reduced the base rate from 4.5% to 3% and has subsequently followed this up with further reductions to 1.5% bringing interest rates to their lowest level in the bank's 315 year history. This lowering of interest rates affects the City Council in a number of ways. On the negative side, the drop in interest rates combined with the lowering of confidence in the banking sector means that we have to significantly lower our investment returns on our cash deposit in comparison with previous years. The likelihood is that investment returns will be no more than 3% in comparison with returns in excess of 6% that we have achieved in recent years. Conversely on the positive side, the lowering of interest rates also means that the cost of borrowing is now also cheaper. This is particularly important to the City Council which is going to make use of borrowing in order to fund part of its capital programme.

4. CONCESSIONARY TRAVEL

- 4.1 The Government previously announced that an additional £212 million would be made available to local authorities to help fund the additional costs of the nationwide concessionary travel scheme that took effect from 1st April 2008. This additional funding would be paid as a specific grant rather than through the formula grant allocation. The Government consulted on four different options as a means of deciding how the grant will be allocated and in the final event they opted for a 'fifth option' that was not favourable for the City Council. Information received from Stagecoach and other smaller bus operators relating to usage of concessionary bus travel during the period April to September 2008, indicates that the new nationwide scheme has resulted in a significant increase in costs for the City Council. Current predictions are that the funding gap could be as much as £1.3 million in the current financial year. The grant allocations were initially set for the first 3 years of the new scheme so there is also potentially an ongoing revenue pressure beyond 2008/09. The Council is continuing to lobby the Government together with other similarly affected authorities to redress this funding gap and believes that it has a very strong case. It has though in recent weeks become increasingly apparent that any additional funding towards the cost of concessionary bus travel is very unlikely. Accordingly the revenue budget proposals contained in this report therefore now include the potential funding shortfall for concessionary travel for 2009/10 and 2010/11. As a direct consequence of this it has been necessary to carry out a further review of all budgets in order to find compensating savings and this would be in addition to the £1.031 million of savings that have previously been identified and reported to members.

5. FURTHER REVENUE SAVINGS

- 5.1 The all party Resources Members Working Group met on 2 February 2009 to consider further proposed base budget reductions totalling £1,521,800 for 2009/10. Members reviewed and noted the proposed savings. In addition to these savings, the Resources Members Working Group also highlighted the need to review the budget for Members Allowances in the light of the current budget savings exercise.
- 5.2 These further proposed budget savings have been incorporated within the overall revenue estimates presented in this report are attached separately in Appendix 1.

6. LOCAL GOVERNMENT FINANCE SETTLEMENT 2009/10

- 6.1 As indicated above the final grant settlement includes a notification of our likely grant for next year. The City Council's final grant settlement for 2009/10 is £11.999 million and this represents an overall cash increase of £0.106 million (0.9%) compared to the current year (£11.893 million).
- 6.2 This final grant settlement is the same as we were originally forecasting and also included the provisional settlement figures for 2010/11. The indicated grant increase for 2010/11 is even less at only 0.8%. The attached Appendix 2 shows as a comparison the grant settlement figures for all Devon authorities covering the current spending review period.

7. FURTHER ISSUES TO BE CONSIDERED

- 7.1 Before the Council can finally consider the appropriate level of Council Tax to be levied next year, there are a number of issues that require further consideration as follows: -
- Central Government advice on the level of Council Tax
 - Future spending pressures and review of the medium term financial planning process
 - The level of reserves and balances

8. COUNCIL TAX

- 8.1 Council tax in England increased by an average of 3.9% in 2008/09 compared to 4.2% in 2007/08. By way of a comparison, in 2008/09 Exeter City Council increased its band D council tax from £110.03 to £114.98; an increase of £4.95 (4.5%). This meant that Exeter had set the 5th lowest council tax out of all the other (238) English District Councils
- 8.2 The Government has already stated its intention of keeping council tax increases to low single figures and therefore they have previously used their capping powers to restrict local authorities' budgets. This has been previously taken into account when formulating the Council's Medium Term Financial Plan. The latest Budget Strategy noted by Executive in December 2008 included an assumption that council tax would increase by 2.9% for next year and by no more than 4.5% for the next 2 financial years.

9. FUTURE SPENDING PRESSURES AND REVIEW OF THE MEDIUM TERM FINANCIAL PLANNING PROCESS

- 9.1 The Council has a medium term financial strategy that forms an integral part of its formal financial planning processes. The key elements of this strategy form part of the overall Budget Strategy that is approved by Council each year. As a brief reminder the Medium Term Financial Strategy contains the following key points:
- It sets out a 4 year revenue financial plan (covering the period to 2011/12)
 - It identifies the likely level of grant support from the government
 - Sets out the likely level of future council tax increases
 - Identifies future service cost variations
 - Identifies level of future investment income
 - Takes into account the revenue consequences of our Capital Strategy
 - Identifies the future amount of efficiency savings/cost reductions required for a balanced budget
- 9.2 An updated revenue financial plan covering the period 2008/09 to 2011/12 is attached in Appendix 3.
- 9.3 Although the Council is required to approve an annual revenue budget it does also need to take into account future spending pressures and the likely level of available resources covered by its medium term financial plan. In the medium term, assuming that there are no major changes in service delivery, the Council will need to identify significant ongoing efficiency savings in order to deliver a balanced budget within its overall available resources. The revised plan indicates that as well as the £2.553 million of savings to be delivered for next year, further cash efficiency savings of £1.9 million will need to be identified and delivered in order to have an overall balanced budget position in the medium term. This level of further budget reductions will be very challenging to achieve.
- 9.4 Looking to the longer term there are a number of uncertainties and factors that could affect the future financial position. These include: the amount of grant support from central government, the level of future years' pension contributions, potential costs arising from the review of service plans, the cost of any new statutory functions, and additional borrowing and revenue costs in respect of any new capital programme commitments. Any additional revenue costs that are not currently identified within the medium term financial plan will have to be met from compensating savings.

10. BALANCES AND RESERVES

- 10.1 Previous advice to members has indicated that the General Fund Balance should equate to at least 15% of Exeter's revenue budget. This policy, although reviewed annually, has not been changed for a number of years. The Council's net revenue budget has also increased over this period of time and therefore it is now considered appropriate to revise the policy for the General Fund Balance such that the minimum level of the General Fund Balance will now be £2 million. This is considered a sufficient level taking into account the potential level of financial risk facing the Council in the medium term. The latest estimated position of the General Fund Balance is that it will be about £4.647 million as at 31 March 2009, equivalent to 28.7% of Exeter's net revenue budget. The council's revised medium-term financial plan (Appendix 2) indicates that the General Fund Balance will be reduced to £2.001 million (11.7%) by the end of 2011/12.
- 10.2 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2009/10 makes use of £932,000 from the following earmarked reserves: -

Transfer from/ (to) reserves

	£
Transport Initiative	5,000
AIM	500,000
Planning Delivery Grant	155,520
Tree Management	81,920
Licensing	(14,380)
Empty Homes Initiative	18,940
Other	45,000
Leisure Contract	<u>140,000</u>
	932,000

11. ASSET IMPROVEMENT AND MAINTENANCE (AIM)

- 11.1 The General Fund budget for 2009/10 includes an overall allowance of £1,526,510 for AIM expenditure in order to maintain and service the Council's non-housing properties. Of this amount £1,273,260 will be allocated to meet on-going revenue commitments and £253,250 for high priority service requirements.

12. DEBT RECOVERY

- 12.1 The City Council is responsible for collecting substantial amounts of money each year through council tax, business rates, council house rents and sundry debtors. There are robust and efficient recovery processes in place to ensure that the Council maximises the collection of all its debt. Performance is also measured and monitored against in-year collection performance indicators. During 2007/08 (the last complete financial year), the in-year collection rates were 97.3% for council tax, 98.8% for business rates and 98.4% for housing rents. There is no in-year collection target in respect sundry debt. The Council eventually collects more than 99% of all the income that it is due. The total amount of debt that was written-off during 2007/08 was £678,940 (£722,906 2006/07) of which £9,524 was for housing rents, £110,690 was in respect of sundry debt, £244,952 was for business rates and £313,774 was in respect of council tax. The total amount of debt that was due for all these areas in 2007/08 was £129.7 million and the write-offs are equivalent to 0.5% of this amount. There are no significant budgetary implications in respect of these write-offs as the Council has previously made adequate provision for bad debts.

13. REVENUE ESTIMATES 2009/10 (APPENDIX 4)

- 13.1 In total, Service Committee Expenditure for 2009/10 is £19,356,630, which is £954,800 more than the current year. A summarised breakdown of this increase is shown below: -

	£000's
Service Committee Expenditure 2008/09	18,402
Inflation allocation	490
Funding Shortfall Concessionary Travel	1,320
Local Government Reorganisation including mobile working	1,000
Other Increases in costs of services	698
Identified Savings	<u>(2,553)</u>
Service Committee Expenditure 2009/10	19,357

- 13.2 In addition there are other items to taken into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £300,000 for net interest in respect of our overall positive cash balances, a £500,000 provision for redundancy costs and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2009/10 is planned to be £16,484,021, an increase of £268,848 (1.7%) compared to 2008/09.

14. COUNCIL TAX BUDGET REQUIREMENT 2009/10 (APPENDIX 5)

- 14.1 When the Formula Grant of £11,998,852 is taken into account the resultant net expenditure to be financed from the council tax payers is £4,485,169 (as indicated in Appendix 4), an increase of £162,912 (3.8%) compared to 2008/09.
- 14.2 Each year the Council must estimate the likely surplus or deficit position on its Collection Fund and any such amounts must be taken into account when determining the band D Council Tax amount for 2009/10. For next year the amount that must be taken into account by the City Council is a surplus of £24,858.
- 14.3 As indicated above it is proposed that the net expenditure to be funded by council tax payers for 2009/10 is £4,485,169. The surplus of £24,858 must be deducted from this amount to give a revised amount to be funded of £4,460,311. When the tax base of 37,700 divides this amount, the proposed band D council tax for 2009/10 will be £118.31, an increase of £3.33 (2.9%) compared with the 2008/09 band D amount of £114.98.

15. HOUSING REVENUE ACCOUNT (HRA)

- 15.1 Exeter's average rent collected over 52 weeks has increased by £3.91 from £56.15 to £60.06 (7.0%). The increase reflects a general increase of 5.0% together with the continuation of the phased implementation of the Government's rent restructuring policy, which will converge the rents of all social landlords by 2024/25.
- 15.2 The rent is calculated using a formula linked to 1999 property values in the area relative to the national average, local earnings relative to the national average and the number of bedrooms in the property. The full effect of the rent convergence is being phased in over the period to 2024/25 in order to reduce the impact on individual tenants.
- 15.3 The Exeter City Council HRA Subsidy determination for 2009/10 has been increased by the following in line with the number and types of dwellings as at 1st April 2009:

•	Maintenance	5.87%
•	Management	2.58%
•	Major Repairs Allowance	4.83%
•	Rent (average)	5.97%

In net terms, the subsidy payment to the Department of Communities and Local Government has increased by some £324,000 to £4.738 million. In 2008/09 an additional £4 per dwelling per year was built into the Management allowance per dwelling to fund the production of the Energy Performance certificates for local authority stock. The Government's intention is that this was not a one-off allowance but will form a continuing constituent part of the allowance until at least 2018/09, as certificates will be valid for 10 years.

16. CAPITAL PROGRAMME RESOURCES (APPENDIX 6)

- 16.1 In previous years the annual capital programme has been financed from Government allocated grants together with money from the Council's own capital receipts and capital reserves. However the funding from these sources has reduced such that from 2008/09 onwards the Council will have to use borrowing instead to fund part of its proposed capital programme. This will also have an ongoing impact on the Council's revenue budget. The Council must ensure that any borrowing decisions remain affordable and to this end, has to adopt a number of prudential indicators, which are set out in the Prudential Code for Capital Finance in Local Authorities developed by CIPFA. A separate report to this meeting of the Executive sets out the Council's Prudential Indicators for approval by members.
- 16.2 The available capital resources for General Fund and Housing for 2009/10 are £12.117 million. An estimated spend of £15.241 million is required in respect of the General Fund and £5.06 million for the Housing Capital Programme. The total spend for both the General fund and Housing will be £20.301 million of which £8.185 million will have to be funded from borrowing. Appendix 6 sets out the forecast use of the resources available for both the General Fund and the Housing Revenue Account and the likely amounts of borrowing that will be necessary to fund part of the capital programme.

17. GENERAL FUND CAPITAL PROGRAMME (APPENDIX 7)

- 17.1 The proposed capital programme is set out in Appendix 7. The new / previously approved schemes total £15.570 million in 2009/10. The capital programme has been set out in line with the Council's strategic objectives, in order to demonstrate how the Council's capital priorities help to contribute towards their achievement. Although a number of schemes contribute to the achievement of more than one strategic objective, they have been placed under the objective to which it is considered the scheme contributes the most.
- 17.2 In order to help improve overall delivery and monitoring of the capital programme, schemes have been placed within two categories, C1 and C2. Category C1 is for those schemes that the Council is committed to and reasonably certain of being able to deliver within the planned timescales. Conversely, Category C2 is for those schemes that the Council is committed to but is less certain of being able to deliver due primarily to factors outside of the control of the Council. It is also acknowledged that some schemes would have elements within both categories.

18. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME (APPENDIX 8)

- 18.1 For 2008/09 the medium term financial strategy provides for a HRA capital programme of £5.060 million. This is funded from:
- Major Repairs Allowance £3.273 million
 - Revenue Contributions to Capital £1.562 million
 - Capital Receipts £0.225 million

19. RISK ASSESSMENT

- 19.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the Government and general prevailing economic conditions. In addition there are a number of uncertainties that could affect the financial position either now or

in the future. These include the level of future years' pension contributions, potential costs arising from the review of service plans, and the cost of any new statutory functions.

19.2 Although the Council faces risks from the assumptions and uncertainties outlined above these have been mitigated by the following:

- Adopting a prudent approach to financial forecasting which involves obtaining information from external professional sources
- Continuous monitoring and review of the key factors together with regular reports to Members on any key issues
- Regular stewardship meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity
- The adoption of robust financial management arrangements including option appraisal, risk assessment and financial monitoring
- Retaining a prudent level of reserves and balances

19.3 As part of the general budget-setting process the Council needs to also consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage the potential risks. A risk assessment has been undertaken of the main volatile budget areas and this formed part of the budget strategy paper presented to Executive in December.

20. STATEMENT OF THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

20.1 There is a requirement under Section 25 of the Local Government Act 2003 that requires the chief finance officer of a local authority to formally report to its members on the robustness of the estimates and the adequacy of its reserves when it is considering its budget and council tax.

20.2 I have already outlined above in this report the key assumptions that have been made in the budget proposals for next year including an assessment of the risks and mitigating factors. As the chief finance officer for this Council I therefore consider that the budget estimates for 2009/10 that have been prepared are both robust and achievable.

20.3 With regard to the adequacy of reserves previous advice to members has indicated that the General Fund Balance should equate to at least 15% of Exeter's revenue budget. This policy, although reviewed annually, has not been changed for a number of years. The Council's net revenue budget has also increased over this period of time and therefore it is now considered appropriate to revise the policy for the General Fund Balance such that the minimum level of the General Fund Balance will now be £2 million. The latest estimated position of the General Fund Balance is that it will be about £4.647 million as at 31 March 2009. The revenue proposals for 2009/10 indicate that a contribution of £2.041 million can be made from the Council's General Fund Balance which would leave a balance of £2.606 million as at 31 March 2010.

20.4 The Council's financial strategy recognises the need to maintain a General Fund Balance to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting this minimum amount of £2 million the following have been taken into account: -

- The size of the authority
- The volatility of some income and expenditure budgets
- The risks faced by the Council with regard to funding unforeseen events
- The financial risks inherent in partnerships, outsourcing deals and as accountable body for external funding

20.5 The Council's estimated revenue Reserves are as follows: -

	31/03/2008 £'000	31/03/2009 £'000	31/03/2010 £'000
<u>Earmarked</u>			
Economic Regeneration	134	34	5
Property Maintenance	608	1,108	601
Planning Delivery	492	315	315
Other Earmarked Reserves	1,409	1,222	826
Total Earmarked Reserves	2,643	2,679	1,747

Non-Earmarked

General Fund Balance	7,452	4,647	2,606
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21. PRECEPTS

- 21.1 Devon County Council, the Devon and Cornwall Police Authority and the Devon and Somerset Fire Authority will all precept separately upon the council tax payers in Exeter. At this stage their precepts for Band D are recommendations and subject to final approval. The County Council, Police Authority and Fire Authority will meet on the 19th, 13th and 18th February respectively. The recommendations are:

	2008/09 £	2009/10 £	Change	
			£	%
Devon County Council	1,063.89	x,xxx.xx	xx.xx	x.xx
Devon and Cornwall Police	142.19	xxx.xx	xx.xx	x.xx
Devon and Somerset Fire Authority	66.58	xx.xx	x.xx	x.xx
Total Precept	1,272.66	x,xxx.xx	xx.xx	x.xx

22. FINAL POSITION

- 22.1 Based upon the recommendations above the aggregate requirements of Exeter City Council, Devon County Council, Devon and Cornwall Police Authority and the Devon and Somerset Fire Authority will result in a council tax for the City of Exeter for 2009/10 of £x,xxx.xx per Band D property.

22.2 This is an overall increase of £xx.xx (x.xx%) on the amount of £1,387.64 levied for 2008/09.

22.3 The detailed figures are: -

Band	Exeter £	DCC £	Police £	Fire £	Total £
A	78.87				
B	92.02				
C	105.16				
D	118.31				
E	144.60				
F	170.89				
G	197.18				
H	236.62				

23. RECOMMENDATIONS

It is recommended that:

- 23.1 the Council's overall spending proposals in respect of both its revenue and capital budgets are approved;
- 23.2 the council tax for each Band be recommended to the Council as set out in section 21.3, subject to Devon County Council, Devon and Cornwall Police Authority and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- 23.3 when the actual council tax amounts for Devon County Council, Devon and Cornwall Police Authority, and the Devon and Somerset Fire Authority are set then the revised council tax levels be submitted to Council on 24 February 2009 for approval;
- 23.4 Members note the Statement given by the chief finance officer as required under Section 25 of the Local Government Act 2003.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None

PROPOSED REVENUE BUDGET SAVINGS

	2009/10 £	2009/10 £
GENERAL		
Reduce budgeted provision for pay award from 2.5% to 1.5%	225,000	
AIM - Reduced Expenditure	155,000	
Total General	380,000	
ECONOMY AND DEVELOPMENT		
Estates		
- Staffing	7,500	2,500
- Lease Repairs Budget	30,000	
Economic Development		
- Arts Development Officer	28,300	
- Web/Marketing	12,500	
- Vibraphonic Festival - cease funding		16,000
- Shakespeare in the Gardens - remove grant funding	10,000	
- Delete proposed new bid re Christmas Lights switch on	10,000	
Parking, Engineering & Business Support		
- Staffing		23,500
- Additional income from Devon PCT enforcement contract	10,000	
- Additional income from advertising contract in car parks	7,500	
- Reduce Car Parking overtime	15,000	
- Structural Repairs/Operational essentials - for car parks	20,000	
Planning and Building Control		
- Staff saving in Design	15,700	
- Staff savings in Development Control	27,400	
- Reduced advertising for Public Notices	15,000	
- Training Budget	10,000	

PROPOSED REVENUE BUDGET SAVINGS

	2009/10 £	2009/10 £
City Centre Management		
- Terminate Police Community Support Officers contract	50,700	
Total Economy and Development	269,600	42,000
COMMUNITY AND ENVIRONMENT		
Housing Services		
- Various savings on non-staff budgets	2,800	
- Reduce Temp Staffing costs (Data input homechoice)	8,500	
- Reduced Council contribution to Q10 Resettlement budget	10,000	
- Ending of temporary contract	3,000	
- Housing Market Assessment	7,000	(7,000)
Environmental Health Services		
- Increased income (compared to budget) from recycling	40,000	
- End 2 temporary litter enforcement officers	19,000	(19,000)
- Reduce Cleansing deep clean team from 4 to 3	20,000	
- Reduction in business support team	11,500	
- Adjustment to Community Patrol Service	24,000	
- Reduce CCTV consultancy budget	3,000	
- Freeze post of current CCTV controller	9,000	
- Reduce post CE07106 by 7 hours	4,500	
- Only cover for CCTV control staff absence at night and weekends	6,000	
- Reduce CCTV Training budget	1,000	
- Net increase in Homecall clients	5,000	
- Increase life of dispersed alarms from 5-6 years to 6-7 years	5,000	
- Adjustment in method of dealing with stray dogs out of hours	3,000	
- Charge for house inspection for immigration sponsors	2,000	
- Increased income from HMO registration applications	8,000	
- Reduce maintenance contract for CCTV and stop planned replacement	20,000	

PROPOSED REVENUE BUDGET SAVINGS

	2009/10 £	2009/10 £
Leisure and Museums		
- Various non-staff budget savings across the unit	31,000	
- Ending of SPLASH scheme subject to withdrawal of external funding support	10,000	
- Museum Assistant post	19,000	
- Deletion of proposed new revenue bid for extension of Countryside Ranger	25,000	
Contracts and Direct Services		
- Various savings on non-staff budgets	7,000	
- Vacant post Performance and Commercial Development Officer	16,700	
- Reduce M&E Project agency cover by 7 hours	8,400	
- Reduce Civil Project Engineer cover by 7 hours	5,700	
- Reduce s46 funeral budget further	5,000	
- BEST non-staff savings	1,000	
- Parks - remove budget increase from s106 and absorb extra work	10,000	
- More efficient weed control	10,000	
- less assumed 50% savings to non gen fund service areas	(31,900)	
Director/Administration		
- Reduction in hours for Director's PA	3,500	
- Food/furniture/publications	500	
Less shortfall in previous savings reported		
- Deletion of technical assistant post Environmental Health commercial	(9,000)	
- Retirement of Recycling Enforcement Officer	(25,000)	
Total Community and Environment	299,200	(26,000)

PROPOSED REVENUE BUDGET SAVINGS

	2009/10 £	2009/10 £
RESOURCES		
Treasury		
- Council Tax Recovery Officer	24,400	
- Additional Housing Benefit Admin Grant (notified 15/1/09) to cover increased workload	75,000	
- Other staff changes	10,000	
- Increased Housing Benefit Subsidy	150,000	
Human Resources		
- Reduction to Corporate Training	12,300	
- less assumed 30% savings to non gen fund service areas	(3,700)	
Legal Services		
- Removal of Market Supplements	6,000	2,000
- Litigation Services salary savings	15,000	
- Publications/equipment etc.	1,400	
- less assumed 30% savings to non gen fund service areas	(6,700)	(600)
IT		
- Print Review	33,700	
- Telephone Calls - savings in mobile call charges	9,000	
- Reduced cost of paper contract	7,000	
- Single Sign On	3,000	
- Knowledge Management Development of on-line self service	2,000	
- Helpdesk Operations	13,200	
- Firewall Support - bring in-house	5,500	
- Internet Bandwidth	7,000	
- less assumed 30% savings to non gen fund service areas	(24,100)	
Internal Audit		
- Reduction of Internal Audit Provision	15,000	
- less assumed 30% savings to non gen fund service areas	(4,500)	

PROPOSED REVENUE BUDGET SAVINGS

	2009/10 £	2009/10 £
Elections		
- Reduced provision for district council Elections	70,000	(70,000)
Corporate Customer services		
- Reduced postage by use of 'cleanmail'	10,000	
- Reduction of training in CSC	2,000	
- Various staff changes	16,800	
- No food at internal meetings involving only officers and/or members	8,000	
- Review of Civic Centre Services	17,500	5,000
- less assumed 30% savings to non gen fund service areas	(16,300)	(1,500)
Civic Ceremonials		
- Reduced flowers budget for Guildhall	2,500	
- Sheriff's coach not used for Lammass Fair	1,000	
- Hospitality	1,000	
Community Safety		
- External contribution to Community Safety Partnership	35,000	(35,000)
Grants and Consultation		
- Reduced contribution towards grants	50,000	
- Delete proposed new revenue bid for additional funding for community engagement	25,000	
Total Resources	573,000	(100,100)
TOTAL SAVINGS	1,521,800	(84,100)

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MEDIUM TERM REVENUE PLAN (2008/9 - 2011/12)

	2008-09 £'000	2009-10 £'000	2010-11 £'000	2011-12 £'000
Resources				
Central Government Support	11,893	11,999	12,090	12,150
Local Authority Business Growth Incentive Grant	0	100	200	-
Council Tax	4,322	4,485	4,708	4,969
Likely resources	16,215	16,584	16,998	17,119
Expenditure				
Service expenditure				
Committee expenditure base budget	18,253	18,402	18,357	17,853
Inflation	519	490	489	475
Potential increase in service costs	1,161	2,680	782	30
Identified reductions / additional income	(1,531)	(662)	(58)	(940)
Identified Revenue Savings Phase 1		(1,031)		
Identified Revenue Savings Phase 2		(1,522)	84	
Additional Savings Required			(1,801)	(99)
Supplementary Budgets	18,402	18,357	17,853	17,319
Forecast overspend	631			
Provision for Redundancy	751	500		
LGR Costs including mobile working		1,000		
Other funding				
Investment interest	19,784	19,857	17,853	17,319
Contribution to/ (from) earmarked reserves	(800)	(300)	(250)	(200)
Contribution to/ (from) balances - Other	36	(932)	0	0
	(2,805)	(2,041)	(605)	0
	(3,569)	(3,273)	(855)	(200)
Total Net Budget	16,215	16,584	16,998	17,119

Opening General Fund Balance	7,452	4,647	2,606	2,001
Closing General Fund Balance	4,647	2,606	2,001	2,001
Balance as a percentage of budget	28.7%	15.7%	11.8%	11.7%

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DRAFT 2008/09 GENERAL FUND ESTIMATES

	2008/09 BUDGET £	2009/10 BUDGET £	CHANGE £	%
Scrutiny - Community	16,677,790	16,716,480	38,690	
Scrutiny - Economy	1,543,820	1,121,770	(422,050)	
Scrutiny - Resources	5,733,990	5,813,350	79,360	
Less notional capital charges	(2,932,190)	(3,174,750)	(242,560)	
FRS 17 Pension Adjustment	688,240	1,272,530	584,290	
Deferred Charges	(3,309,820)	(2,392,750)	917,070	
SERVICE ESTIMATES TOTAL	18,401,830	19,356,630	954,800	5.2%
Net Interest	(1,300,000)	(300,000)	1,000,000	
Business Growth Incentive Grant	0	(100,000)	(100,000)	
Provision for Redundancy		500,000	500,000	
SERVICE ESTIMATES NET EXPENDITURE	17,101,830	19,456,630	2,354,800	13.8%
Transfer to/(from) working balance	(424,727)	(2,040,609)	(1,615,882)	
Transfer to/(from) earmarked reserves	(461,930)	(932,000)	(470,070)	
GENERAL FUND EXPENDITURE	16,215,173	16,484,021	268,848	1.7%
Formula Grant	(11,892,916)	(11,998,852)	(105,936)	0.9%
COUNCIL TAX NET EXPENDITURE	4,322,257	4,485,169	162,912	3.8%

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GENERAL FUND		2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
		£	£	£	£	£	£
CAPITAL RESOURCES AVAILABLE							
Usable Receipts Brought Forward		4,121,707					4,121,707
GF capital receipts		531,865	400,000	550,000	500,000	500,000	2,481,865
GF capital receipts from the Canal Basin Redevelopment		110,293	574,422	170,132	680,528	0	1,535,375
Revenue Contributions to Capital Outlay		176,000	156,016	736,016	0	0	1,068,032
Disabled Facility Grant		269,000	269,000	269,000	269,000	269,000	1,345,000
Less ringfenced for Disabled Facility Grants		0	0	(269,000)	(269,000)	(269,000)	(807,000)
Other - Grants/External Funding/Reserves/S106		1,546,436	628,382	117,000	0	0	2,291,818
Regional Housing Capital Grant		836,516	450,810	559,004	559,004	559,004	2,964,338
Less Regional Housing Capital Grant for private sector renewal		0	0	(559,004)	(559,004)	(559,004)	(1,677,012)
Less Regional Housing Capital Grant allocated to the HRA		(49,514)	0	0	0	0	(49,514)
Heritage Lottery Fund		2,481,600	4,653,002	1,164,990	0	0	8,299,592
Transfers from Social Housing Pot to the HRA		(330,000)	(75,000)	0	0	0	(405,000)
Total Resources available		9,693,903	7,056,632	2,738,138	1,180,528	500,000	21,169,201
GENERAL FUND CAPITAL PROGRAMME							
Committed capital programme		14,474,228	14,802,530	5,965,290	3,360,210	110,000	38,712,258
Proposed New Bids		0	767,600	942,000	366,000	448,000	2,523,600
Total General Fund		14,474,228	15,570,130	6,907,290	3,726,210	558,000	41,235,858

ESTIMATED SPEND IN YEAR **10,131,960** **15,241,359** **9,506,142** **4,680,534** **1,508,463** **41,068,458**

UNCOMMITTED CAPITAL RESOURCES:							
Capital Receipts Brought Forward		4,121,707	0	0	0	0	4,121,707
Resources in Year		5,572,196	7,056,632	2,738,138	1,180,528	500,000	17,047,494
Less Estimated Spend in Year		(10,131,960)	(15,241,359)	(9,506,142)	(4,680,534)	(1,508,463)	(41,068,458)
Less Committed Spend in Future Years						(167,400)	(167,400)
Borrowing Requirement		438,057	8,184,727	6,768,004	3,500,006	1,175,863	20,066,657
Uncommitted Capital Receipts		0	0	0	0	0	0

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HOUSING REVENUE ACCOUNT		2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
		£	£	£	£	£	£
CAPITAL RESOURCES AVAILABLE							
Usable Receipts Brought Forward		1,292,980					1,292,980
Other HRA Sales		100,000	0	0	0	0	100,000
RTB sales		150,000	150,000	150,000	150,000		750,000
Major Repairs Allowance		3,122,030	3,273,040	3,273,040	3,273,040	3,273,040	16,214,190
Revenue Contributions to Capital		895,600	880,000	920,000	840,000	830,000	4,365,600
Transfer from GF re Social Housing Pot		160,000	75,000	0	0	0	235,000
External contributions from utility company		176,580	0	0	0	0	176,580
Contributions from working balance		365,690	682,090	0	0	0	1,047,780
Total Resources available		6,262,880	5,060,130	4,343,040	4,263,040	4,253,040	32,853,803
CAPITAL PROGRAMME							
HOUSING REVENUE ACCOUNT							
MRA expenditure		3,122,030	3,273,040	3,273,040	3,273,040	3,273,040	16,214,190
HRA Programme - additional expenditure		2,749,340	1,424,890	1,358,140	1,295,140	1,295,140	8,122,650
Fees		391,510	362,200	362,200	362,200	362,200	1,840,310
Total Housing Revenue Account		6,262,880	5,060,130	4,993,380	4,930,380	4,930,380	26,177,150
UNCOMMITTED CAPITAL RESOURCES:							
Usable Receipts Brought Forward		1,292,980	0	0	0	0	1,292,980
Resources in Year		4,969,900	5,060,130	4,343,040	4,263,040	4,253,040	22,889,150
Less Estimated Spend		(6,262,880)	(5,060,130)	(4,993,380)	(4,930,380)	(4,930,380)	(26,177,150)
Borrowing Requirement		0	0	650,340	667,340	677,340	1,995,020
Uncommitted Capital Resources		0	0	0	0	0	0
WORKING BALANCE RESOURCES:							
Balance Brought Forward		2,848,590	2,482,900	1,800,810	1,800,810	1,800,810	2,848,590
Used in Year for Capital Programme		365,690	682,090	0	0	0	1,047,780
Balance Carried Forward		2,482,900	1,800,810	1,800,810	1,800,810	1,800,810	1,800,810

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GENERAL FUND - CAPITAL PROGRAMME 2009/10 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Lead Officer	Category	2009/10 £	2010/11 £	2011/12 £	Future Years £	What the scheme is trying to achieve
A PROSPEROUS CITY								
1	Basin / Quayside	DP	C2	1,008,520	287,130	680,530		To deliver the regeneration of the Quayside by funding essential infrastructure improvements and land acquisition
2	Science Park	RB	C2	70,000	749,910			To encourage the expansion of science and technology in the City and to attract inward investment, through the creation of a science park
Sub Total - Prosperous City				1,078,520	1,037,040	680,530	0	
B ACCESSIBLE CITY								
1	Refurbish Broadwalk House Car Park	RC	C2	100,000	#			To upgrade the electrical wiring system
2	Riverside Valley Park Enhancement	PM	C2	10,000				A programme of improvements is being undertaken to enhance access, landscape value and biodiversity of this area
3	Strategic Signage - Phase 2	RS	C1	47,000				Completion of the installation of the strategic signage system which is mainly being implemented in 2008/09
Sub Total - Accessible City				157,000	0	0	0	
C ELECTRONIC CITY								
1	Continuation of GIS Strategy	JS	C1	45,000	#			To continue the programme of creating a central database of all Council data related to land and property, in order to ensure accurate address data for all services
2	Corporate Network Infrastructure	PE	C1	35,000	#			A continuation of the enhancement and upgrade programme to the corporate network infrastructure, in order to manage the growth in demand of high bandwidth applications
3	Corporate Server Upgrades	PE	C1	50,000	#			A continuation of the upgrade programme in order to utilise new technologies to provide a high capacity storage system, which will provide fast and reliable data recovery
4	Electronic Document and Records Management (EDRM)	JS	C1	72,800	#			To continue to put in place a corporate EDRM system so that all appropriate services may be provided with a system to improve the creation, storage, accessibility, control and disposal of their documents and records
5	Environmental Health System Upgrade	RN	C1	20,000	#			To enable the Environmental personnel to access systems remotely in order to enhance and improve service delivery
6	GVA Upgrades	PM	C1	20,520	#			To provide software in order to maintain effective and comprehensive condition database information to accurately target and prioritise future property refurbishment and maintenance work to most need
7	IT Development Staff Recharges	PE	C1	176,500	176,500	176,500		To provide for the cost of IT Developers, which will be directly involved in the implementation of computer software, development of new systems and qualify as capital expenditure
8	PC Replacement Programme	PE	C2	100,000	#			To provide a rolling programme of replacement and upgrades to the Council's PCs

GENERAL FUND - CAPITAL PROGRAMME 2009/10 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES						Future Years		What the scheme is trying to achieve
Lead Officer	Category	2009/10	2010/11	2011/12	£	£	£	
9	Sun Platform Servers	PE	C1	30,000 #				To put in place a budget for hardware replacement of the Sun servers, currently hosting the Councils core systems (Capita)
10	Website and Intranet Development	PE	C1	39,280 #				To facilitate continued development and enhancement of the corporate website and intranet
Sub Total - Electronic City		589,100	176,500	176,500	0			
D CULTURAL AND FUN PLACE TO BE								
1	Bronhams Farm - Refurbish Changing Rooms	PM	C2	29,800				Refurbish changing facilities
2	Contribution to RAMM re HLF Parks Bid	PM	C1	176,800				To replace funding from the bid to the Heritage Lottery Fund in respect of Historic Parks, in order to allow access between the rear of the museum and Rougemont Gardens
3	Corn Exchange Enhancements	DP	C1	76,500				To enable a range of improvements to be made at the Exeter Corn Exchange to ensure that it meets the standards required for modern venues and keeps pace with improvements to other venues within the City
4	Exwick Community Centre	AC	C2	19,360				To provide for fixtures and fittings, outside storage hut and lights for the games area in the new Exwick Community Centre
5	Leisure Management Contract	AC	C2	40,000				To fund maintenance and improvements to leisure facilities, in accordance with the terms of the contract extension with DC Leisure
6	New Swimming Facility	AC	C2	109,830				To replace the existing Pyramids Swimming and Leisure Centre with a new swimming facility that will meet the growing needs of the cities residents
7	Parks Improvements	PM	C2	30,000				To allow essential repairs to be carried out including improvements to paths, gates and fences
8	Play Area Refurbishments	AC	C2	137,040	80,000			Continuation of programme to improve children's play areas
9	RAM Museum Off Site Store	AC	C1	35,500				To provide a purpose built store for the Royal Albert Memorial Museum on land in Exton Road
10	RAM Museum Redevelopment	AC	C1	7,777,290	2,731,250			Major project using Heritage Lottery funding to enable significant modernisation of the Museum including improving access for the public
Sub Total - Cultural and Fun Place To Be		8,396,620	2,846,750	0	0			

GENERAL FUND - CAPITAL PROGRAMME 2009/10 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES							What the scheme is trying to achieve	
	Lead Officer	Category	2009/10 £	2010/11 £	2011/12 £	Future Years £		
E STRONG COMMUNITIES								
		AC	C2	15,000			To assist Topsham Community Association in its effort to extend and refurbish Matthews Hall	
1				15,000	0	0	0	
F HEALTHY AND ACTIVE CITY								
		RN	C1	450,000			To meet the legal duty to pay grants to enabled disabled people to remain in their homes	
2		AC	C2		650,000 #		To remove the existing athletics track and replace with a superior impermeable surface and to improve surface water drainage	
				450,000	650,000	0	0	
G CARED FOR ENVIRONMENT								
		PM	C2	50,000			Carry out necessary improvements and repairs to vehicle and equipment storage at Higher Cemetery and Exwick Cemetery	
2		JR	C2	200,000	200,000 #	200,000 #	400,000 #	
							To provide for the enhancement of the city centre's pedestrian environment which will encompass Paris Street, Martin's Lane, Gandy Street and Fore Street	
3		RS	C2	2,000			To complete a programme of environmental enhancements to fifteen designated conservation areas, most of this work has been undertaken in 2008/09	
4		PM	C1	10,000	10,000	10,000	To continue the program of improving cemetery roads and pathways in order to provide a safer environment	
							To achieve a significant reduction in the Council's carbon dioxide emissions through the implementation of energy efficiency, renewable energy and sustainable transport initiatives	
5		PM	C2	100,000	100,000	100,000		
							To improve the environmental quality of Magdalen Road including enhancements to the local centre and to improve the pedestrian environment	
6		RS	C2		50,000 #	150,000 #		
		RN	C1	15,000 #			To increase the number of bring bank sites in the city and improve recycling rates	
7							To provide all homes with wheelie bins for the recycle from home scheme, including the provision of wheelie bins to new residential developments	
8		RN	C1	70,000 #				
							To replace the current unsuitable wash down area to reduce risk of legionnaires disease	
9		RN	C1	30,000 #				
							Contribution towards the upgrade of sewage treatment plant in order to provide effective treatment of sewage and a reliable supply of water	
10		AC	C2	10,000				
				487,000	360,000	460,000	510,000	
H SAFE CITY								
1		JR	C1	15,000			Technical advice in respect of expanding the existing CCTV coverage in the City to target identified crime hotspots	

GENERAL FUND - CAPITAL PROGRAMME 2009/10 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES								
	Lead Officer	Category	2009/10 £	2010/11 £	2011/12 £	Future Years £	What the scheme is trying to achieve	
2	RC	C2	50,000				Provision of six CCTV cameras and one help point station to help give improved security to users of the car park and boatyard facilities	
3	RN	C2		32,000 #	16,000 #	48,000 #	To provide for the replacement of digital recording equipment at the control centre	
4	DH	C2	3,250				To provide security measures so that access to the Valley Park by vehicles can be restricted	
Sub Total - Safe City			68,250	32,000	16,000	48,000		
I A LEARNING CITY								
1	RB	C1	53,000				Enhancements to the centre in order to maintain its position as a key visitor information point on Exeter's historic quayside.	
Sub Total - A Learning City			53,000	0	0	0		
J HOUSING IN THE CITY								
1	RN	C2	105,900				To assist in making properties let by private landlords meet the Decent Homes Standard	
2	RN	C1	500,000				To assist in making private sector homes fit for habitation	
3	SW	C2	2,500,000	1,425,000	2,023,180		To facilitate the provision of affordable housing in the City	
Sub Total - Housing in the City			3,105,900	1,425,000	2,023,180	0		
K ACHIEVING EXCELLENCE IN PUBLIC SERVICES								
1	PM	C2	27,740				To carry out necessary repairs and improvements to storage buildings, roadways and walkways	
2	AS	C1	370,000	370,000	370,000		To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers, architects and surveyors	
3	JS	C1		10,000 #			To provide new tables and chairs in Committee Rooms Rennes and Bad Homburg	
4	JS	C1	50,000 #				To replace the ceiling mounted high resolution projectors in each of the Committee Rooms	
5	PM	C1	15,000				To enhance service provision for the bereaved by offering more options for burial and memorialisation	
6	JS	C1	90,000 #				To continue the programme of refurbishing the communal areas in the Civic Centre including, replacing fire doors, refurbish staff toilets, upgrade lift lobbies and upgrade mini kitchens	
7	PM	C1	617,000				To ensure that the Council's vehicles are replaced so that a safe and reliable fleet is maintained	
Sub Total - Achieving Excellence in the Public Services			1,169,740	380,000	370,000	0		
TOTAL GENERAL FUND CAPITAL PROGRAMME			15,570,130	6,907,290	3,726,210	558,000		
Category 'C1' Schemes			10,804,690	69%	3,333,250	48%	556,500	15%
Category 'C2' Schemes			4,765,440	31%	3,574,040	52%	3,169,710	85%
							10,000	2%
							548,000	98%

GENERAL FUND - CAPITAL PROGRAMME 2009/10 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Lead Officer	Category	2009/10 £	2010/11 £	2011/12 £	Future Years £	What the scheme is trying to achieve
TOTAL GENERAL FUND CAPITAL PROGRAMME				15,570,130	6,907,290	3,726,210	558,000	
Pre-Approved Schemes				14,802,530	5,965,290	3,360,210	110,000	
New Bids				767,600	942,000	366,000	448,000	
TOTAL GENERAL FUND CAPITAL PROGRAMME				15,570,130	6,907,290	3,726,210	558,000	
# Indicates new bids								
Lead Officer Key Table								
Head of Leisure and Museums		AC						
Head of Treasury Services		AS						
Head of Environmental Health Services		RN						
Engineering and Construction Manager		DH						
Head of Estates Services		DP						
Director of Economy and Development		JR						
Head of Corporate Customer Services		JS						
Head of IT Services		PE						
Head of Contracts and Direct Services		PM						
Head of Economy and Tourism		RB						
Head of Administration and Parking Services		RC						
Head of Planning Services		RS						
Head of Human Resources		SS						
Head of Housing and Social Inclusion		SW						

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HOUSING - CAPITAL PROGRAMME 2009/10 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		2008-2009 B/FWD £	2009-2010 £	2010-2011 £	2011-2012 £	Total £
HOUSING IN THE CITY						
1	Adaptations	-	400,000	400,000	400,000	1,200,000
2	Asbestos Survey	-	200,000	200,000	30,000	430,000
3	Asbestos Work	-	50,000	25,000	25,000	100,000
4	Bathroom Replacements	-	366,750	423,000	436,000	1,225,750
5	Central Heating	-	377,680	377,680	377,680	1,133,040
6	Housing Structural Survey	-	35,000	-	-	35,000
7	Council House Extensions	-	75,000	-	-	75,000
8	Defective Properties	-	177,000	-	-	177,000
9	Door Entry Systems	-	10,000	10,000	10,000	30,000
10	Communal TV aerials	-	5,000	-	-	5,000
11	Electrical Rewires Programmed	-	573,500	573,500	573,500	1,720,500
12	Energy Conservation	-	50,000	50,000	50,000	150,000
13	Environmental Improvements	-	116,000	116,000	116,000	348,000
14	External Walls	-	12,000	30,000	-	42,000
15	Fees	-	362,200	362,200	362,200	1,086,600
16	Kitchen Replacements	-	900,000	1,201,000	1,250,000	3,351,000
17	Plastic windows/ doors reactive	-	-	-	-	-
18	Programmed Reroofing	-	250,000	275,000	300,000	825,000
19	Rendering of Council Dwellings	-	200,000	200,000	200,000	600,000
20	Sheltered Accommodation	444,000	356,000	650,000	700,000	2,150,000
21	UPVC Gutters, Downpipes & Fascia	-	100,000	100,000	100,000	300,000
Total HRA Capital Programme		444,000	4,616,130	4,993,380	4,930,380	14,983,890

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 28 JANUARY 2009

EXECUTIVE
10 FEBRUARY 2009

ANNUAL INVESTMENT STRATEGY - 2009-10

1. PURPOSE OF THE REPORT

- 1.1 To seek adoption by the Council of the Annual Investment Strategy 2009-10, as required under section 15(1)(a) of the Local Government Act 2003.

2. BACKGROUND

- 2.1 The Strategy was amended in December 2008 in response to the current financial environment and the Icelandic banking crisis.

3. ANNUAL INVESTMENT STRATEGY – CHANGES

- 3.1 There are no new amendments to the strategy.

4. RISKS INVOLVED

- 4.1 Although our strategy has always been to minimise the risk of lending money by only lending to those institutions with high credit ratings, the past year has proven that in exceptional trading conditions these credit ratings cannot be relied on. Landsbanki's F1 credit rating was withdrawn a week prior to the bank going under, which was a major cause of the substantial losses incurred by Local Authorities across the Country. We will continue to monitor credit ratings on a monthly basis.

5. ETHICAL INVESTMENTS

- 5.1 The Council invests in a range of different financial institutions which, in line with our investment strategy, are mostly banks or building societies. Our fund manager has produced a discussion document in respect of ethical investments, which is attached at Appendix B. Although this was written a few years before the current economic and banking crisis it is still very relevant. The fund manager will, if required, come to a future meeting to discuss the issue of ethical investments or any other aspect regarding the Council's investments.

6. CONCLUSIONS

- 6.1 There are no further amendments and therefore the Strategy remains as approved in December 2008.

7. RECOMMENDATIONS

- 7.1 It is recommended that the Executive recommend to Council the adoption of the amended Annual Investment Strategy and delegations contained therein.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background Papers used in compiling this report:

1. Treasury Management Strategy
2. Fund Manager Contracts

EXETER CITY COUNCIL

ANNUAL INVESTMENT STRATEGY – 2009-10

1. Introduction

- 1.1 The Council has regard to the ODPM's Guidance on Local Government Investments ("Guidance") and CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes ("CIPFA TM Code").

2. Investment Principles

- 2.1 The overriding principles of the Council:

- All investments will be conducted in sterling;
- The Council's main objective is the security of its investments;
- The liquidity of investments is also a key objective.

- 2.2 The council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

- 2.3 The Guidance maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity. The Council will however seek to borrow at the most appropriate time in order to finance its future capital programme.

3. Specified and Non-Specified Investments

- 3.1 In-house investments are either placed in call accounts or on term deposits with banks and building societies in line with the limits set out in section 5.1. No investments shall be made over one year. Our external Fund manager only invests in institutions or money market funds with the highest possible credit rating.

3.2 Specified Investments

- All investments up to one year, in sterling with institutions set out in 5.1 below shall be deemed specified.
- The types of investment include term deposits and certificates of deposits.
- The external managers may also invest in gilts and Government fixed interest securities for up to one year, which will also be classed as specified.
- Both in-house and external Fund Managers may place funds with the Government's Debt Management Office.
- Use of money markets may be made (AAA rated only) for periods of no more than a year by both the in-house and external investment managers.

3.3 Non specified Investments

- The external Fund Manager may invest in Government fixed interest Securities for more than one year as they are liquid, low risk and allow for good financial planning.
- The external Fund Manager may invest in Certificates of Deposit for more than one year using their professional judgement.
- The above is subject to the requirement that no more than 50% of the external managers Fund may be held in non-specified investments during the year.

4. Liquidity

- 4.1 Based on its cash flow forecasts, the Council anticipates its external fund balances in 2009-10 to range between £19m and £21m. Daily cashflow balances will normally range between £0 and £12m.
- 4.2 Giving due consideration to the Council's level of balances over the next 5 years, the need for liquidity, its spending commitments and provisioning for contingencies, the Council has determined that the external Fund Manager may hold up to 50% in 'non specified' investments during the year.

5. Security of Capital: The use of Credit Ratings

- 5.1 Credit quality of counterparties (issuers and issues) and investment schemes will, in the first instance, be determined by reference to credit ratings published by Moody's and Fitch. No institution with less than a Fitch F1 (Moody P-1) rating will be used for any investment.

In-house investment

Type of Institution	Limit per Institution £m
Banks – UK only Minimum Fitch Rating F1+ short term Minimum Fitch Rating F1 short term and Moody's rating P-1 short term	3m 2m 2m
Building Society – UK only Minimum Fitch Rating F1+ short term Minimum Fitch rating F1 short term and Moody's rating P-1 short term, within top 25 asset rankings	3m 2m
Local Authorities	2m

External Fund Managers

Type of Institution	Limit per Institution £m
Banks Minimum Fitch Rating F1+ short term	4m
Building Society Minimum Fitch Rating F1+ short term	4m

- 5.2 As the Fund Managers and in-house team can both invest in F1+ institutions, there may be occasions when the Council has up to £7 million invested with an F1+ rated institution. As this is the highest rating possible it is considered that the risk involved is acceptable. This would in any case now be very difficult to avoid particularly as the in-house team is restricted to making investments to UK only institutions.

5.3 **Monitoring of credit ratings**

The Council subscribes to Sterling Consultancy Services, which provide a monthly credit rating list for the Council, as well as updates throughout the month. The following monitoring is therefore in place:

- All credit ratings will be monitored monthly.
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria as outlined in 5.1 its further use, as a new investment will be withdrawn immediately and the external fund managers informed of the same.
- If a counterparty/investment scheme is upgraded so that it fulfils the Council's criteria, the Section 151 Officer will have the delegated authority to include it on the lending list.

6. **Investments defined as capital expenditure**

- 6.1 The Council will not use or allow its external fund managers to make any investment, which will be deemed capital expenditure.

7. **Investment Strategy to be followed in-house**

- 7.1 The Council's in-house managed funds are based on the likely cash-flow position and are usually for periods of up to one month. Investments will be made to ensure that cash flow is protected and borrowing is not required. There may be occasions however where money may be invested for a longer period up to 364 days. These will be surplus funds that are not required for day-to-day cash management purposes.
- 7.2 The Council will continue to seek to utilise its Bank of Scotland reserve account (which is linked to base rate) and use short-dated deposits up to 3 months to ensure liquidity of assets for day-to-day cashflow. Additionally, the Council's bankers, the Co-operative Bank operate a Public Sector Reserve Account, which automatically sweeps excess funds from our general bank account into one paying a higher interest rate. The limit on the account is £3 million, with interest varying depending on the amount in the account. The interest paid is still much lower than other investments and therefore only limited funds are kept in this account.

8. External Cash Fund Management

- 8.1 Investec manages the Council's funds on a discretionary basis. The Strategy is in line with the contractually agreed procedures. These have been amended to allow the placement of deposits with the Debt Management Office.

9. Prudential Indicators

- 9.1 The Council sets each year, in February, prudential indicators for Treasury Management, to ensure that proper control of borrowing and investing is maintained. These indicators can be found in the Council's budget book.

10. End of year Investment Report

- 10.1 At the end of the financial year, the Council will prepare a report on its investment activity as part of its Annual Treasury Report.

HEAD OF TREASURY SERVICES
JANUARY 2009

ETHICAL INVESTMENT

HAS ETHICAL INVESTMENT OR SOCIALLY RESPONSIBLE INVESTMENTS (SRI) A ROLE FOR CASH DEPOSITS?

By Paul Cammies, Director - Client Services

August 2003

Many Local Authorities with responsibilities for pension funds have considered the adoption of investment policies for their pension funds that give priority to environmental awareness, including the extent to which Ethical Investment or Socially Responsible Investment (SRI) criteria should influence the placement or withdrawal of investments.

There are two options available:

- (a) Place or withdraw investments only if they fit SRI policies; or
- (b) Adopt a policy of engagement.

This means that more is achieved by actively engaging with offending companies to influence their behaviour rather than simply refusing to invest. Clearly this approach is most effective where the investment is in shares (e.g. for Pension Fund) – since only a shareholder (or a representative body thereof) achieves the right to attend Annual General meetings and thus gain a forum to air criticisms of unethical activity.

This article explains, some of the issues and comments on the extent, or otherwise, to which such criteria can be successfully applied to the investment of cash reserves.

Ethical Investment means choosing investments in a way that reflects a Council's ethical values. As Local Authorities with pension fund responsibilities will well know that work done by the Ethical Investment Research Service (EIRIS), in respect of equities, is widely regarded as a benchmark for deciding on the making of investments in companies. Usually such 'values' are defined in terms of negative criteria or positive criteria whereby investments are to be encouraged or avoided.

Non pension fund authorities may not be so familiar with the subject, so examples of the criteria usually adopted are listed below.

Negative Criteria		
Advertising complaints	Intensive farming and meat sale	Roads
Alcohol production or sale	Military	Sensitive sites
Animal testing	Mining	Size
Financial institutions	Nuclear power	Third world debt
Fur	Ozone depleting chemicals supply and use	Tobacco
Gambling	Pesticides marketing and manufacture	

Greenhouse gases	Political donations	Transnational interests
Health and safety convictions	Pollution convictions	Tropical hardwood
Human rights	Pornography and cut 18 films	Water pollution

Positive Criteria		
Animal testing policy/phase out	Equal Opportunities policy	Trade unions
Basic necessities	Ozone depleting chemical policy/phase out	Training and education
Community involvement	Public transport and bicycles	Tropical hardwood policy/phase out
Disclosure	Safety and protection	Waste disposal
Environmental policy	South Africa	Women on the board

These criteria may be applied relatively easily to equities however their application in the context of the instruments and credits that fall within the scope of the Approved Investment Regulations is more problematic. For example:

UK GOVERNMENT

In practice, the Government commissions weapons, raises taxes from Companies involved in all the areas listed earlier, builds roads etc.

LOCAL AUTHORITY

Local Authority may welcome the nuclear industry or the military to their areas because of the jobs that are created.

BANKS & BUILDING SOCIETIES

Financial institutions present a particular difficulty in that it will be impossible for the Council to ensure that funds deposited with an institution will not be on-lent to another which may not fulfil the authorities ethical criteria maintain a specific fund which is only used by that bank to lend in ethical business. It is more usual for banks to determine that the "non ethical" activities of any counterparty to whom they lend (however defined), should not account for more than, say, 5% of that company's profits. Beyond this undertaking major banks (or similar financial institutions) will not be able to satisfy depositors as to whether the ultimate destination of an investment will meet a Council's ethical policies.

Building societies as mortgage lenders to individuals are traditionally viewed as not giving rise to ethical issues. However, building societies will deposit surplus funds in banks which in turn may lend-on funds to a wide range of companies that may or may not meet the required ethical criteria. With more building societies becoming banks, an investment in a building society instrument today could become an investment in a bank instrument in the future.

CASH DEPOSITS DIFFER FROM EQUITIES

There are, therefore, issues with all areas in which a Council is allowed to invest in cash, and it is not possible when lending to the Government, another Local Authority or a building society or a bank, to ask for the investment only to be used for “ethical” purposes. It would not be possible to exclude these areas of investment. Looking at areas where any Council can invest its cash in approved investments, it seems likely that monetary instruments of the Government, banks, building societies and public bodies, such as Local Authorities should all be regarded as ethical.

THE LEGAL ISSUES IN MAKING ETHICAL INVESTMENTS

Whether or not the reader shares my views, he/she will also need to take account of the legal issues which impact on ethical investments.

All Treasurers will know that every decision taken by a Council must comply with the “Wednesbury Principles”. Put simply, the Council, in adopting any discretionary function, should:

1. Have regard to all relevant matters which the Authority is bound to consider.
2. Exclude from its considerations matters which are irrelevant to what has to be considered.
3. Not come to a decision which is so unreasonable that no reasonable Authority could ever have come to it.

Thus, in the context of any investment, the Council must not lose sight of the fact that, as stated by Lord Diplock in the Case of Bromley London Borough Council v Greater London Council (1982), an Council owes the Taxpayer from who it obtains monies needed to carry out its statutory functions, the duty to deploy the full financial resources available to it to the best advantage. This clearly indicates an obligation to obtain the best financial return from investments which maybe available; but it is clear that the Authority has a discretion as to how those investments may be made – and the obligation resting upon the Authority is clearly that it must not, in the final analysis, come to such an unreasonable decision in relation to such investments that no reasonable Authority could ever have come to such a decision. In the light of this fiduciary duty, it might be argued that engagement, if possible, is more acceptable than negative exclusion.

SUMMARY

Recent case law has shown that a Council can successfully adopt a policy for making decisions which have regard to ethical considerations (see R v Somerset Council ex parts Fewings Leyland and Downs (1993) – commonly known as the Somerset Stag Hunting case) provided it gives proper consideration to all the relevant issues. For Councils with pension fund investment responsibilities, this may give scope for action. For the remaining Authorities it seems unlikely that ethical considerations when applied to approved investments will be a worthwhile or practical issue.

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EXETER CITY COUNCIL

**EXECUTIVE
10 FEBRUARY 2009**

THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES

1. PURPOSE OF THE REPORT

- 1.1 To set out the proposed 2009/10 prudential indicators for capital finance for adoption by the Council.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) have published the Prudential Code for Capital Finance in Local Authorities as a professional code of practice to support local authorities in making their capital investment decisions. Since 1 April 2004, local authorities have been required by Regulation to comply with the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 1.3 The Prudential Code has replaced the previous complex regulatory frameworks governing local authority capital expenditure. The new system is one based largely on self-regulation by local authorities themselves.
- 1.4 The Prudential Indicators report will be incorporated within the Budget Book for approval at the full Council meeting as per the statutory requirement.

2. BACKGROUND

- 2.1 With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new Prudential system based on self regulation. This means that Councils are free to borrow for capital investment where the borrowing is affordable.

3. PRUDENTIAL INDICATORS

- 3.1 The proposed prudential indicators for the next three years are shown in Appendix A-C.
- 3.2 There are very few changes to the indicators from last year other than updating of the capital programme and the impact on the Council Tax of newly approved schemes. The council will start to borrow during 2009-10 and this is reflected in the Authorised Limit of the Council and the Operational Boundary. This will be sufficient to manage the capital programme and any daily borrowing requirements.

4. RECOMMENDATION

4.1 It is recommended that:

- The prudential indicators set out in Appendix A–C be adopted.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

1. The Prudential Code for Capital Finance in Local Authorities
2. The Prudential Code Guidance Notes

General Fund Prudential Indicator Calculations

The purpose of the prudential indicators is to demonstrate that the Council's financial plans meet the statutory requirement to be affordable, prudent and sustainable.

General Fund Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Strategic Theme	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Prosperous City	213	340	1,079	1,037	681
Accessible City	1,077	292	157	0	0
Electronic City	876	600	589	176	176
Cultural and Fun Place To Be	3,498	4,148	8,397	2,847	0
Strong Communities	0	0	15	0	0
Healthy and Active City	529	327	450	650	0
Environment Cared For	2,281	861	487	360	460
Safe City	185	81	68	32	16
A Learning City	0	0	53	0	0
Housing in the City	2,141	2,129	3,105	1,425	2,023
Achieving Excellence in Public Services	1,494	1,270	1,170	380	370
Total General Fund Capital Expenditure	12,294	10,048	15,570	6,907	3,726

General Fund Financing costs

The figures for the actual financing costs will be taken from the Council's financial statements using the definition of financing costs specified in the Prudential Code. Estimates for the current and future years should be calculated in a manner consistent with this definition.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Interest payable with respect to short term borrowing	72	68	110	300	450
Interest payable under 'irredeemable' long term liabilities	0	0	0	0	0
Interest and investment income	(1,345)	(720)	(400)	(500)	(600)
Replacement for Minimum Revenue Provision (England and Wales)	0	0	0	320	600
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
Total General Fund Financing Costs	(1,273)	(652)	(290)	120	450

General Fund Estimates of the ratio of financing costs to net revenue stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers. An important theme of the Code is transparency. For this reason the authority's calculation of the net revenue stream should be consistent with the figure that can be identified in the Income and Expenditure Account for 'Net Operating Expenditure'.

When the Council is 'debt-free' the ratio of financing costs to net revenue stream will be negative. This reflects the fact that for 'debt-free' authorities, the negative financing costs are making a contribution to the Income and Expenditure Account.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Financing costs	(1,273)	(652)	(290)	120	450
Net revenue stream (General Fund Expenditure - Budget Book/Financial Strategy)	15,744	16,215	16,584	16,998	17,119
Ratio of financing costs to net revenue stream %	(8.1)	(4.0)	(1.7)	0.7	2.6
Negative for a debt free authority	%	%	%	%	%

Estimates of the incremental impact of capital investment decisions on the Council Tax

Page 50

A fundamental constraint on capital investment by a local authority is its scope to afford its financial implications. For local authorities it is ultimately determined by a judgement about acceptable council tax levels.

This prudential indicator shows the potential impact of the capital investment decisions on the Council Tax.

Description	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Total budgetary requirements for the authority with existing capital programme	16,569	16,933	17,009
Total budgetary requirements for the authority with proposed capital programme	16,584	16,998	17,119
Difference	15	65	110
Incremental Impact on Band D Council Tax	£0.40	£1.71	£2.86

General Fund Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to borrow for a capital purpose.

Actual General Fund Capital Financing Requirement at 31 March 2008

Description	£'000
Operational assets	73,951
Non-operational assets	43,834
Deferred charges	0
Revaluation Reserve	(2,073)
Capital Adjustment Account	(104,296)
Government Grants Deferred	(4,710)
Actual General Fund Capital Financing Requirement 31 March 2007	6,706

Estimated General Fund Capital Financing Requirement at 31 March 2009

Estimate of General Fund Capital Financing Requirement 31 March 2008	6,706
Estimate of Operational assets 2008/09	0
Estimate of Non-operational assets 2008/09	(75)
Estimate of Deferred charges 2008/09	0
Estimate of Revaluation Reserve 2008/09	0
Estimate of Capital Adjustment Account 2008/09	4,313
Estimate of Government Grants Deferred 2008/09	(4,238)
Estimate of General Fund Capital Financing Requirement 31 March 2009	6,706

Estimated General Fund Capital Financing Requirement at 31 March 2010

Estimate of General Fund Capital Financing Requirement 31 March 2009	6,706
Estimate of Operational assets 2009/10	0
Estimate of Non-operational assets 2009/10	0
Estimate of Deferred charges 2009/10	0
Estimate of Revaluation Reserve 2009/10	0
Estimate of Capital Adjustment Account 2009/10	13,770
Estimate of Government Grants Deferred 2009/10	(5,256)
Estimate of General Fund Capital Financing Requirement 31 March 2010	15,220

Estimated General Fund Capital Financing Requirement at 31 March 2011

Estimate of General Fund Capital Financing Requirement 31 March 2010	15,220
Estimate of Operational assets 2010/11	0
Estimate of Non-operational assets 2010/11	0
Estimate of Deferred charges 2010/11	0
Estimate of Revaluation Reserve 2010/11	0
Estimate of Capital Adjustment Account 2010/11	5,193
Estimate of Government Grants Deferred 2010/11	(1,365)
Estimate of General Fund Capital Financing Requirement 31 March 2011	19,048

Estimated General Fund Capital Financing Requirement at 31 March 2012

Estimate of General Fund Capital Financing Requirement 31 March 2011	19,048
Estimate of Operational assets 2011/12	0
Estimate of Non-operational assets 2011/12	0
Estimate of Deferred charges 2011/12	0
Estimate of Revaluation Reserve 2011/12	0
Estimate of Capital Adjustment Account 2011/12	3,105
Estimate of Government Grants Deferred 2011/12	(559)
Estimate of General Fund Capital Financing Requirement 31 March 2012	21,594

HRA Prudential Indicator Calculations

Local authorities that have a Housing Revenue Account (HRA) are required to prepare separate calculations for their HRA and non-HRA elements.

HRA Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Housing in the City	7,216	5,347	5,060	4,993	4,930
Total HRA Capital Expenditure	7,216	5,347	5,060	4,993	4,930

HRA Financing costs for a debt free authority

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	13	33
Interest payable under 'irredeemable' long term liabilities	0	0	0	0	0
Interest and investment income	0	(489)	(229)	(229)	(267)
Replacement for Minimum Revenue Provision (England and Wales)	0	0	0	0	0
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
Total HRA Financing Costs	0	(489)	(229)	(216)	(234)

HRA Estimates of the ratio of financing costs to net revenue stream

For the Housing Revenue Account the net revenue stream, for the purposes of the Code, is the amount to be met from housing subsidy and rent income.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Financing costs	0	(489)	(229)	(216)	(234)
Net revenue stream	15,021	15,077	16,135	17,103	17,958
Ratio of financing costs to net revenue stream %	0.0	(3.2)	(1.4)	(1.3)	(1.3)
Negative for a debt free authority	%	%	%	%	%

Estimates of the incremental impact of capital investment decisions on the Housing Rents

A fundamental constraint on HRA capital investment by a local authority is its scope to afford its financial implications. For local authorities it is ultimately determined by a judgement about acceptable rent levels.

This prudential indicator shows the potential impact of the HRA capital investment decisions on the average weekly rent.

Description	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Forecast HRA budgetary requirements for the authority with existing HRA capital programme	16,135	17,103	17,958
Forecast HRA budgetary requirements for the authority with proposed HRA capital programme	16,135	17,103	17,958
Difference	0	0	0
Incremental Impact on average weekly housing rents	£0.00	£0.00	£0.00

HRA Capital Financing Requirement

APPENDIX B

The Capital Financing Requirement will reflect the Council's underlying need to borrow for a capital purpose.

Actual HRA Capital Financing Requirement at 31 March 2008

Description	£'000
Operational assets	284,569
Non-operational assets	7
Deferred charges	0
Revaluation Reserve	(1,577)
Capital Adjustment Account	(287,019)
Government Grants Deferred	(832)
Actual HRA Capital Financing Requirement 31 March 2008	(4,852)

Estimated HRA Capital Financing Requirement at 31 March 2009

Actual HRA Capital Financing Requirement 31 March 2008	(4,852)
Estimate of Operational assets 2008/09	(3,653)
Estimate of Non-operational assets 2008/09	(7)
Estimate of Deferred charges 2008/09	0
Estimate of Revaluation Reserve 2008/09	0
Estimate of Capital Adjustment Account 2008/09	3,660
Estimate of Government Grants Deferred 2008/09	0
Estimate of HRA Capital Financing Requirement 31 March 2009	(4,852)

Estimated HRA Capital Financing Requirement at 31 March 2010

Estimate of HRA Capital Financing Requirement 31 March 2009	(4,852)
Estimate of Operational assets 2009/10	0
Estimate of Non-operational assets 2009/10	0
Estimate of Deferred charges 2009/10	0
Estimate of Revaluation Reserve 2009/10	0
Estimate of Capital Adjustment Account 2009/10	0
Estimate of Government Grants Deferred 2009/10	0
Estimate of HRA Capital Financing Requirement 31 March 2010	(4,852)

Estimate of HRA Capital Financing Requirement 31 March 2010	(4,852)
Estimate of Operational assets 2010/11	0
Estimate of Non-operational assets 2010/11	0
Estimate of Deferred charges 2010/11	0
Estimate of Revaluation Reserve 2010/11	0
Estimate of Capital Adjustment Account 2010/11	650
Estimate of Government Grants Deferred 2010/11	0
Estimate of HRA Capital Financing Requirement 31 March 2011	(4,202)

Estimate of HRA Capital Financing Requirement 31 March 2010	(4,202)
Estimate of Operational assets 2010/11	0
Estimate of Non-operational assets 2010/11	0
Estimate of Deferred charges 2010/11	0
Estimate of Revaluation Reserve 2010/11	0
Estimate of Capital Adjustment Account 2010/11	667
Estimate of Government Grants Deferred 2010/11	0
Estimate of HRA Capital Financing Requirement 31 March 2011	(3,535)

Prudential Indicator Calculations

PRUDENTIAL INDICATORS OF AFFORDABILITY

Estimates of Incremental Impact of Capital Investments Decisions on the Council Tax

This prudential indicator shows the potential impact of the capital investment decisions on the Council Tax.

Description	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
Incremental Impact on Band D Council Tax	£0.40	£1.71	£2.86

Estimates of Incremental Impact of Capital Investments Decisions on the Housing Rents

This prudential indicator shows the potential impact of the HRA capital investment decisions on the average weekly rent.

Description	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
Incremental Impact on Average Weekly Housing Rents	£0.00	£0.00	£0.00

Total Actual / Estimates of Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Total General Fund Capital Expenditure	12,294	10,048	15,570	6,907	3,726
Total HRA Capital Expenditure	7,216	5,347	5,060	4,993	4,930
Total Actual / Estimates of Capital Expenditure	19,510	15,395	20,630	11,900	8,656

Prudential Indicator Calculations

Total Actual / Estimates of Financing Costs

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Total General Fund Financing Costs	(1,273)	(652)	(290)	120	450
Total HRA Financing Costs	0.00	(489)	(229)	(216)	(234)
Total Actual / Estimates of Financing Costs	(1,273)	(1,141)	(519)	(96)	216

Actual / Estimates of Ratio of Financing Costs to Net Revenue Stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers, and for the Housing Revenue Account, is the estimate of the amounts to be met from housing subsidy and rent income.

Since the Council is 'debt-free' the ratio of financing costs to net revenue stream will be negative. This reflects the fact that for 'debt-free' authorities, the negative financing costs are making a contribution to the consolidated revenue account.

Description	2007/08 Actual %	2008/09 Estimate %	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %
General Fund Ratio of Financing Costs to Net Revenue Stream	(8.1)	(4.0)	(1.7)	0.7	2.6
HRA Ratio of Financing Costs to Net Revenue Stream	0.0	(3.2)	(1.4)	(1.3)	(1.3)

Prudential Indicator Calculations
Actual / Estimates of Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to borrow for a capital purpose.

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
General Fund Capital Financing Requirement	6,706	6,706	15,220	19,048	21,594
HRA Capital Financing Requirement	(4,852)	(4,852)	(4,852)	(4,202)	(3,535)
Total Actual / Estimates of Capital Financing Requirement	1,854	1,854	10,368	14,846	18,059

Authorised Limit

In England and Wales the prudential indicator for the Authorised Limit for external debt for the current year is the statutory limit determined under Section 3 (1) of the Local Government Act 2003: 'A local authority shall determine and keep under review how much money it can afford to borrow'

The Authorised Limit should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable. The Authorised Limit must therefore be set to establish the outer boundary of the Council's borrowing, based on a realistic assessment of the risks.

Description	2009/10 £'000	2010/11 £'000	2011/12 £'000
Borrowing	30,000	35,000	40,000
Other long term liabilities	0	0	0
Authorised Limit	30,000	35,000	40,000

Prudential Indicator Calculations

Operational Boundary

The Operational Boundary is the focus of day-to-day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed Authorised Limit. The Operational Boundary may be breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation.

Description	2009/10 £'000	2010/11 £'000	2011/12 £'000
Borrowing	25,000	30,000	35,000
Other long term liabilities	0	0	0
Operational Boundary	25,000	30,000	35,000

Actual External Debt

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The prudential indicator for actual external debt will not be directly comparable to the authorised limit and operational boundary, since the actual external debt will reflect the actual position at one point in time.

Description	2007/08 Actual £'000
Actual borrowing as at 31 March 2008	10,000
Actual long term liabilities as at 31 March 2008	0
Actual External Debt as at 31 March 2008	10,000

Prudential Indicator Calculations

PRUDENTIAL INDICATORS OF PRUDENCE

Net Borrowing and Capital Financing Requirement

The Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term Net Borrowing is only used for capital purposes. In the Code this requirement is to be demonstrated through a comparison of Net Borrowing with the Capital Financing Requirement.

Description	£'000
Total Capital Financing Requirement at 31 March 2008	1,854

2008/09 Estimated Change in Capital Financing Requirement	
Capital expenditure	15,395
Application of useable capital receipts	(6,217)
Application of capital grants/contributions	(9,178)
The replacement for MRP	0
Additional voluntary contributions	0
Total Estimated Change in Capital Financing Requirement 2008/09	(0)

2009/10 Estimated Change in Capital Financing Requirement	
Capital expenditure	20,630
Application of useable capital receipts	(1,124)
Application of capital grants/contributions	(10,992)
The replacement for MRP	0
Additional voluntary contributions	0
Total Estimated Change in Capital Financing Requirement 2009/10	8,514

Prudential Indicator Calculations

2010/11 Estimated Change in Capital Financing Requirement	
Capital expenditure	11,900
Application of useable capital receipts	(870)
Application of capital grants/contributions	(6,211)
The replacement for MRP	(341)
Additional voluntary contributions	0
Total Estimated Change in Capital Financing Requirement 2010/11	4,478

Capital Financing Requirement:	
Estimated Opening Balance 2008/09	1,854
Estimated Closing Balance 2010/11	14,846
This is an increase over the three years of	12,992

Prudential Indicators for Treasury Management

The first prudential indicator for treasury management is not a numerical indicator, but a statement of good practice:

*'The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services'
Adopted by the Council 16 February 2004 (Executive Committee)*

Prudential Indicator Calculations

Operational Boundaries to Exposure to Interest Rate Risks

Interest rate risk management is a top priority for local authority management. The setting of upper limits has the effect of setting ranges within which the Council will limit its exposure to both fixed and variable interest rate movements.

Description	2009/10 £'000	2010/11 £'000	2011/12 £'000
Total projected interest payable on borrowing	0	0	0
Total projected interest receivable on investments	(629)	(729)	(867)
Net Interest	(629)	(729)	(867)
Upper limit - fixed rates = 100%	(629)	(729)	(867)
Upper limit - variable rates = 20%	(126)	(146)	(173)

This means that the Head of Treasury Services will manage fixed interest rate exposure within the range 0% to 100% and variable interest rate exposure within the range 0% to 20%

Prudential Indicator Calculations
Operational Boundary to the Exposure Inherent in the Maturity Structure of Borrowings

This indicator is designed to be a control over the Council having a large concentration of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The indicator is, in effect, a limit on longer term interest rate exposure and is set for the forthcoming year.

The analysis of borrowing by maturity used in the Code uses the same periods as that required in the local authority SORP.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Period	Upper Limit	Lower Limit
Under 12 months	100%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	20%	0%
10 years and above	100%	0%

Prudential Indicator Calculations
Principal Sums Invested for Periods Longer than 364 Days

The purpose of the prudential limit for principal sums invested for periods longer than 364 days is for the Council to contain its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of principal sums invested.

Description	At 31/3/2009
	£'000
Longer-term investments	0
Less - Held for operational purposes	(6,000)
Current Assets - Investments	20,000
Current Assets - Cash and at Bank	(1,000)
Total available for investment longer term	13,000

Limits to be placed on investments to final maturities beyond year end:	£'000
31/03/10	10,000
31/03/11	8,000
31/03/12	6,000

The current agreement with Investec allows them to place up to 50% of the portfolio in products maturing after more than 1 year. In practice they only invest in gilts which are placed for longer periods but can be sold at any time, therefore they are liquid. The limits set therefore are in line with the agreement however it is not anticipated that this will impact on the liquidity of the Council.

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 28 JANUARY 2009

EXECUTIVE
10 FEBRUARY 2009

CORPORATE DEBT POLICY

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval for the attached Corporate Debt Policy.

2. BACKGROUND

- 2.1 The Council provides a wide range of services to its community and raises a significant amount of income from a number of sources including council tax, housing rents, recovery of housing benefit, non domestic rates and sundry debt. Corporate Debt is the gathering together of debt owed to the council in all of these categories to ensure a joined up approach to collection of outstanding monies and recovery of arrears.
- 2.2 Exeter City Council is committed to improving the standard of service to its customers by adopting best practice in all areas of activity. The effective recovery of debts owed to the Council is essential in ensuring that the best use is made of public money. Although the Council currently has a good record with regard to the recovery of all its debts it does not currently have a Corporate Debt Policy that sets out its overall approach for the recovery of debt.

3. CORPORATE DEBT POLICY

- 3.1 A proposed Corporate Debt Policy is attached at Appendix A. The policy is a statement of good practice and its aim is to:
- help to minimise the overall indebtedness to the Council
 - ensure that a strong emphasis is given to preventing arrears from arising and that intervention takes place as early as possible in the recovery cycle
 - ensure that citizens with genuine financial difficulties are provided with the necessary assistance to break the cycle of debt while firm recovery action is taken against those who can pay
 - ensure a consistent corporate treatment towards recovery of debt and arrears.

4. RECOMMENDATION

- 4.1 That Scrutiny Committee - Resources supports and Executive approve the Corporate Debt policy.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling the report:
None

EXETER CITY COUNCIL
CORPORATE DEBT POLICY

1. OVERVIEW

1.1 Exeter City Council provides a wide range of services to its community and raises a significant amount of income from a number of sources. Collecting income is a major part of the Council's business and the following are the main sources of income from debts raised (based on 2007/08 figures) are:

- Council tax - £43.4 million
- Housing Rents - £14.4 million
- Non Domestic rates - £56.1 million
- Sundry debts (including for example: recovery of overpaid benefit, trade waste, home call alarms and service charges and rents) - £15 million

1.2 The Council takes the payment of this money from our residents and businesses seriously and this document sets out a corporate approach to the recovery of debt. In summary, our policy aims to maximise the Council's income cash-flow but recognises that flexibility is necessary in cases of genuine hardship in the City.

2. GENERAL PRINCIPLES

2.1 The following principles will apply in the management of the City Council's debts:

- That the citizens and businesses of Exeter have a responsibility to pay for the services they receive and the charges and rents they are liable for.
- The majority of debts owed to the Council are high-priority debts and as such we expect that debtors will give priority to the repayment of these debts over most other debts that they may owe.
- Methods of payment giving the best customer convenience at the lowest collection cost will be actively promoted by the Council.
- There will be a coordinated approach towards sharing debtor information and managing multiple debts owed to the Council where legally and practically possible.
- Sundry debt will be avoided wherever possible in favour of cash payments upfront.
- Best endeavours will be used to help people who are suffering genuine hardship and to consider the impact of debt on them, including minimising the escalation of debts owed to the Council.

2.2 It is recognised and accepted that the Voluntary Sector, including the Citizens Advice Bureau and others, have a key role to play in both the prevention of debt and the debt recovery process.

3. ALTERNATIVE PAYMENT OPTIONS

- 3.1 The Council recognises the importance of offering customers a range of payment methods and will continue to invest in improving these. This helps the Council increase its ability to maximise collection of income and ensures that customers are not excluded from meeting their liabilities due to restrictions on the type of payment methods accepted.
- 3.2 The Council will continue to review the payment methods available to bill payers in order to ensure that it continues to balance value for money with customer expectations, convenience and accessibility. Customer confidence in the payment arrangements available is critical and the Council will endeavour to ensure the accuracy and reliability of its income systems.

4. MINIMISE SUNDRY DEBTS

- 4.1 Sundry debts can be difficult and costly to collect and it is important to obtain payments in advance of service provision wherever possible. Guidance for service officers is available to support this approach.

5. ACCESS and CUSTOMER CARE

- 5.1 The City Council is committed to ensuring that no recipient of services provided by the Council receives less favourable treatment on any grounds such as disability, ethnic origin, age, gender, sexual orientation, language, religion or belief, political or other opinion, national or social origin, association with a national minority, locality, property, birth or other status.
- 5.2 We will provide clear and prompt information about bills and liabilities. The information we provide will show:
 - What the bill or liability is for
 - The amount due
 - How to make payment
 - A contact point for all enquiries.
- 5.3 The Council will consider the merits of each individual case when deciding how to pursue an unpaid debt. Following the issuing of an invoice, it may be necessary to issue further documentation (reminders or summonses) following non-payment, or because a previously agreed instalment arrangement has not been adhered to. In these instances, the Council will ensure that all the information outlined above is included in such documents.
- 5.4 Each debt due will be notified to the debtor promptly and accurate records of amounts due and collected will be maintained. The notification, collection and recovery of a debt will be completed in accordance with the appropriate legislation or internally approved guidelines, as appropriate.
- 5.5 Wherever possible, the Council will provide information to meet customers' specific communication needs. In doing so, the Council will seek to ensure that a customer's individual preferences are documented and stored on systems in order that future notices can be issued in the preferred format, for example large print to corporate standard. A policy and guidance document is already in place which sets out the

Council's commitment on translation and interpretation and provides information and advice to staff on the organisations who can be contacted to provide such services.

- 5.6 The Council will endeavour to ensure that documents issued in respect of debt recovery matters meet plain English standards.
- 5.7 Documents issued will explain the legal options open to the Council in relation to the stage of recovery the document relates to. Such documentation will also clearly explain what the customer needs to do to avoid further recovery action being taken.
- 5.8 The Council recognises the importance of issuing debt recovery documents in a timely manner and will ensure that such documentation is issued in accordance with statutory or internally approved deadlines.

6. FINANCIAL INCLUSION - MAXIMISING CUSTOMERS' ABILITY TO MEET THEIR LIABILITIES

- 6.1 The Council will publicise widely the availability of any appropriate benefits, exemptions, discounts or reliefs which may either reduce the level of liability for the debt or increase the income of the customer, thus increasing their ability to meet their liability. Such benefits, exemptions, reliefs and discounts include:
 - Housing and Council Tax Benefits - The Council will undertake proactive take up campaigns annually in partnership with others and aim to reach every household. New claims will be processed promptly and to a standard at or exceeding national targets for new claims and changes in circumstances.
 - Council Tax Discounts, Reliefs and Exemptions
 - Business Rates Reliefs and Exemptions
 - Working Tax Credit
 - Pension Credit
 - Income Support and Job Seekers Allowance
 - Disability Benefits
 - Discretionary Housing Payments.
 - 6.2 Where appropriate, special payment arrangements will be considered with regard to the recovery of debt. However, whilst it is important to consider the customer's request in the event of a reported hardship case, it is also important to ensure a firm but fair approach that provides a reasonable incentive for the customer to clear their debt.
- ## **7. PEOPLE WHO MAY REQUIRE ADDITIONAL ASSISTANCE**
- 7.1 The Council recognises that some customers may have difficulty understanding or dealing with their financial responsibilities. The Council will therefore take into account during its debt recovery process the needs of those customers who may be identified as vulnerable.

- 7.2 When applying the debt management policy to the more vulnerable customers, officers will consider the wider implications of any recovery actions on the individual and the Council, such as preventing homelessness. The Council is mindful of its responsibilities and duties under the Disability Discrimination Act and Human Rights Act.

8. DIFFICULT TO RECOVER AND IRRECOVERABLE DEBTS

- 8.1 The Council will pursue all monies owed to it. This includes externalising debt collection where appropriate. The Council recognises that there will be certain circumstances where it will not be able to collect all the debts owed and that some accounts below a certain value will be uneconomic to collect. The Council's Financial Regulations set out the procedure and financial thresholds for processing such debts.

9. REPORTING AND MONITORING

- 9.1 It is the responsibility of the originating service to take ownership of the debts in their service areas and to ensure effective arrangements for monitoring the payment and recovery are in place. Regular reports on collection rates, arrears levels and approved debt write-offs will be reported to Scrutiny Committee - Resources.

EXETER CITY COUNCIL

EXECUTIVE
10 FEBRUARY 2009

AUTHORISED SIGNATORIES FOR COUNCIL AND JOINTLY FUNDED AFFORDABLE HOUSING SCHEMES INVOLVING THE HOMES AND COMMUNITIES AGENCY'S INVESTMENT MANAGEMENT SYSTEM

1 PURPOSE OF THE REPORT

- 1.1 To agree signatories to enable the Council to administer, validate and authorise the payment of Other Public Subsidy (OPS), Social Housing Grant (SHG) and Transitional Local Authority Social Housing Schemes (TLASHG), to Registered Social Landlords (RSLs) and developers through the Homes and Communities Agency's online Investment Management System (IMS).

2 BACKGROUND

- 2.1 Where the Council is funding or supporting affordable housing through an RSL or developer, either by way of capital funding or free or discounted land/property, it is sometimes required to validate schemes and authorise expenditure via the Homes and Communities Agency's Investment Management Computer System (IMS). Signatories, renewable on an annual basis, are needed for these purposes. The signatories were last approved for the period 2007/08 at Executive on 11 February 2008. Due to changes in the funding regime, the signatories should be approved for the remainder of this financial year.
- 2.2 The IMS system also requires an authorised administrator able to designate users.
- 2.3 The IMS system is an essential tool for monitoring expenditure and progress on affordable housing schemes in the city.

3 PROPOSAL

- 3.1 That the Council appoint signatories to authorise and validate claims from RSLs and developers for OPS, SHG and TLASHG during the financial year 2008/09 and the remainder of 2007/08, agree an authorised administrator for IMS and arrangements for facilitating monitoring.

4 RESOURCE IMPLICATIONS

- 4.1 If the Council does not validate and approve claims, as required, it may find itself liable to meet them from its reserves.

5 RECOMMENDED

- 1) that the following officers be designated as authorised signatories for the purposes set out in paragraphs 1 and 2 and that the Homes and Communities Agency be informed.

All Financial Grant Claims	Head of Treasury Services (Andrew Stark) or Service Finance Manager (Brenda Steer) Strategic Housing Manager (Ron Mayers)
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Scheme-work Approvals	Head of Housing Services (Steve Warran Strategic Housing Manager (Ron Mayers) or Housing Enabling Manager (David Gibbens) or Housing Enabling Officers (Gary Stenning and Kerry Plumb)
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Monitoring	As per scheme-work approvals plus Strategy and Enabling Assistant (Duncan Brownlie)
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- (2) that the Strategic Housing Manager (Ron Mayers) be designated as Systems Administrator for these purposes on the IMS Computer System

HEAD OF HOUSING SERVICES

S:LP/Committee/209EXEC1
29.1.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

None

EXETER CITY COUNCIL

EXECUTIVE 10 FEBRUARY 2009

RESULTS OF CONSULTATION ON ALPHIN BROOK CONSERVATION AREA APPRAISAL AND MANAGEMENT PLAN

1.0 PURPOSE OF REPORT

- 1.1 To consider representations received in relation to the draft Alphin Brook Conservation Area Appraisal and Management Plan (CAAMP) and proposed amendments to the document to be recommended for adoption.
- 1.2 A copy of the proposed document is available in the Member's room.

2.0 BACKGROUND

- 2.1 On 17 July 2008, Executive agreed the draft Alphin Brook Conservation Area Appraisal and Management Plan for public consultation. The Council proposed the deletion of large areas from the conservation area that were not considered to meet the tests of special architectural or historic interest. A plan showing this proposal is at Appendix I.
- 2.2 Copies of the document were made available from the Civic Centre and on the Council Website. Every household within the area was sent a copy of the document and a comments form; and a period of six weeks was allowed for comments.
- 2.3 45 written responses were received, out of which 4 were neutral/in favour and 41 were against the proposed boundary amendments.
- 2.4 The main issues raised in the responses received were:
 - Boundary amendments are a precursor to further housing development;
 - Boundary amendments are to make it easier for the proposed Park and Ride scheme;
 - Impact of boundary amendments on ecology and wildlife;
 - Proposals contrary to the Exeter Landscape Sensitivity and Capacity Study, 2007;
 - Original designation of 1991 should not be altered;
 - Hambeer Lane is an historic Ridgeway and should remain within the conservation area.
- 2.6 Following the consultation, officers recommend further alterations be made to the boundary, a plan showing the proposed amendments to the area is attached at Appendix III. In particular, it is no longer proposed to delete areas along the ridge and historic line of Hambeer Lane.

3.0 PLANNING MEMBER WORKING GROUP

- 3.1 Planning Member Working Group (PMWG) considered a report on the results of the public consultation and proposed boundary amendments on 13 January 2009. The five affected Ward Members who are not on PMWG (including the Portfolio holder for Sustainable Development and Transport) and the Chair of Planning Committee attended and spoke on the matter. All opposed proceeding with the proposed changes that remove large areas from the conservation area. There was no consensus among the formal Members of PMWG, some supported the proposed amendments, others favoured leaving the conservation area boundary largely as it is.
- 3.2 The Head of Planning Services considers that the proposed boundary amendments remain appropriate; they have been formulated through the consistent application of the criteria agreed by Executive for boundary reviews. Some authorities have, in the past, used conservation areas as a constraint to development, however, Appeal Inspectors are now likely to more critically analyse whether areas do make any specific contribution to any special character.
- 3.3 If Executive should not accept the recommendation to adopt the Conservation Area Appraisal and Management Plan and amended boundary then it will need to make an alternative resolution. Executive may wish to consider an alternative resolution that the Conservation Area be adopted with only one boundary change, the inclusion of the small area of land alongside Cowick Lane (not opposed during the consultation). Executive also needs to make a resolution on the Conservation Area Appraisal and Management Plan document. It could be adopted and published subject to the Head of Planning Services, in consultation with the portfolio holder for Sustainable Development and Transport, making the necessary amendments to reflect the finally agreed boundary.
- 3.4 The Council will write to everyone who made a representation informing them of the Executive decision when the finalised document is available.

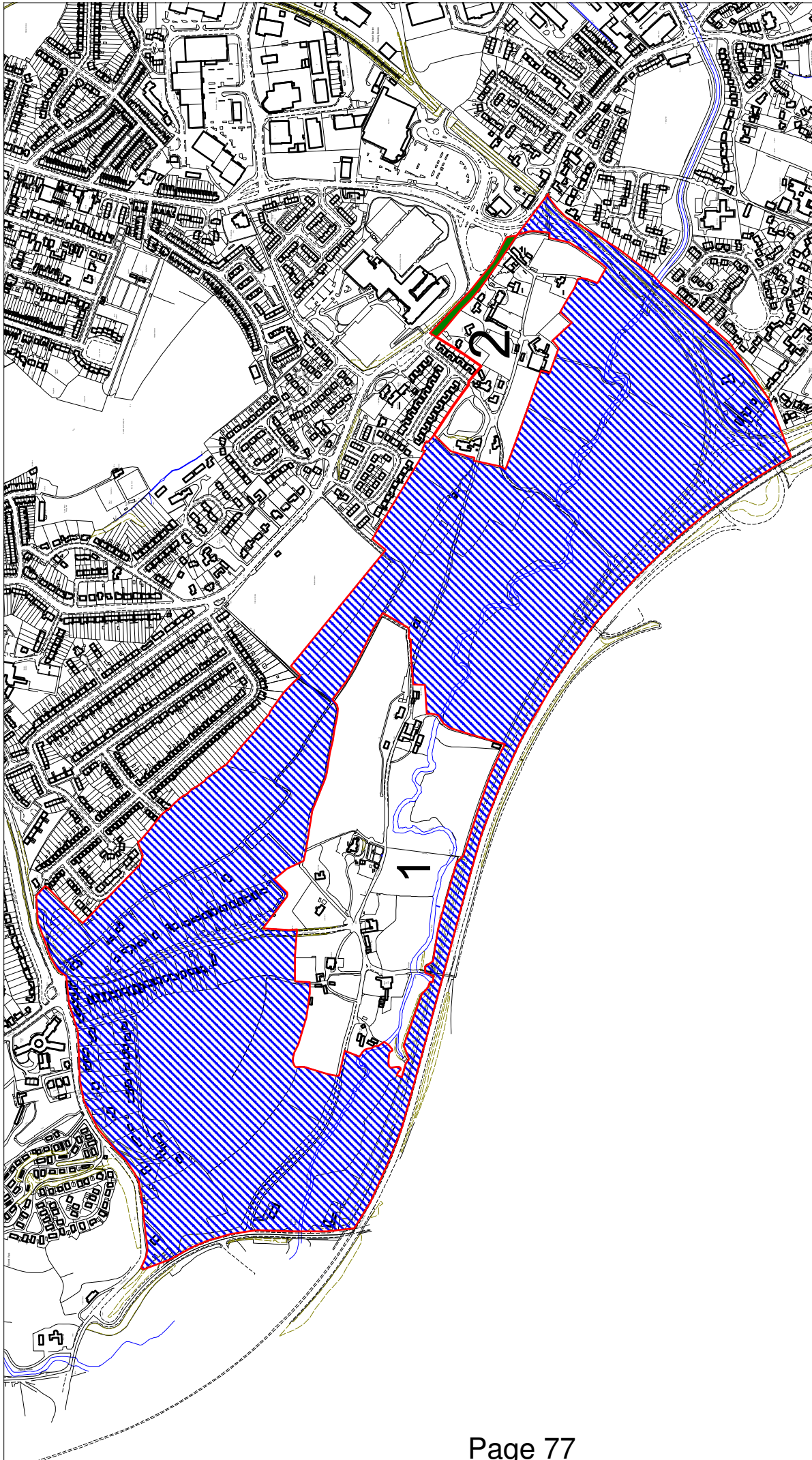
4.0 RECOMMENDATION

- 4.1 That the amended Alphin Brook Conservation Area Appraisal and Management Plan be adopted and the boundary altered in accordance with the attached plan at Appendix III.

RICHARD SHORT
HEAD OF PLANNING AND BUILDING CONTROL

ECONOMY AND DEVELOPMENT DIRECTORATE

Background papers used in compiling this report:
None



APPENDIX II

SCHEDULE OF COMMENTS RECEIVED DURING PUBLIC CONSULTATION, ALPHIN BROOK CONSERVATION AREA APPRAISAL & MANAGEMENT PLAN

Proposed response in italics – because similar issues are raised in many of the comments received, only new issues raised are dealt with in each subsequent response. A full response will be sent to each consultee.

Name	Comments
1. 1 Little John's Cross	Land should not succumb to pressure to be developed. Why are Alphinbrook motors and car breakers included in smaller area? All old lamp columns should be protected not just the garlanded ones. <i>The land is already designated as part of the Alphington/Whitestone Valley Park and includes a site of Nature Conservation Importance, which together are covered by policies L1 and LS1 – 4 within the Local Plan. There remains a presumption against inappropriate development within such designated areas. Agreed with comment about lamp columns and wording will be amended to reflect this.</i>
2. 5 Little John's Cross Hill	Welcomes the proposed boundary changes and suggests that the previous boundary was drawn too widely. Proposed amended areas focus on the valuable elements. Would like suggestions for replacement of the bollards at Ide Bridge to prevent vehicles using this route. <i>Agreed. Consideration of the bollards will be given through the Council's programme of environmental enhancement after adoption of the appraisal and any proposals will be subject to consultation.</i>
3. No address (received by email)	What is the proposed zoning of the land proposed to be deleted from the CA? Request information about the proposed Newbury Farm Park and Ride. <i>There is no change to the land designations, it is already designated as part of the Valley Park and includes a site of Nature Conservation Importance, which together are covered by policies L1 and LS1 – 4 within the Local Plan. The Park and Ride is being proposed by Devon County Council and falls outside the scope of this appraisal. DCC contact details sent.</i>
4. Ashfield, Dunsford Road	Welcomes the proposed boundary amendments and suggests that the previous boundary was drawn too widely. The designation is imposing an unnecessary restriction on development. <i>Agreed although the purpose of de-designation is not to allow further development of the land that is already designated as part of the Alphington/Whitestone Valley Park and includes a site of Nature Conservation Importance, which together are covered by policies L1 and LS1 – 4 within the Local Plan. These policies continue to apply.</i>
5.	Believes appraisal is a fore-runner to allowing the area to be

Bindle Lodge, Perridge Close	<p>developed to the detriment of the wildlife. Mention the ECC Exeter Landscape Sensitivity and Capacity Study, 2007 and concludes the findings of this have been ignored. States that the appraisal would demolish the conservation area and is a result of the Council's greed to get more taxes.</p> <p><i>CA designation does not preclude development. The land is already designated as part of the Alphington/Whitestone Valley Park and includes a site of Nature Conservation Importance, which together are covered by policies L1 and LS1 – 4 within the Local Plan. There remains a presumption against inappropriate development within such designated areas. The Landscape Sensitivity and Capacity Study found that Zones 30 and 31 (that cover the existing conservation area) are sensitive landscape areas and have limited capacity for housing and employment. The fact of being in a conservation area was noted, along with other reasons for this high sensitivity and the removal of conservation area designation would not change the way in which the Council viewed any future development and there remains a presumption against inappropriate development within sensitive areas. Appraisal follows the format completed and adopted in 17 other areas so far and is part of the wider programme of appraisals. Whether or not a site is developed for commercial purposes has no bearing on Council Tax income.</i></p>
6. Ide View, Perridge Close	<p>Concerned about proposed lifting of conservation area designation, and considers that the underlying reason may be to allow further development in the area. Does not want the park and ride. Refers to the Exeter Landscape Sensitivity and Capacity Study, 2007 as having been ignored. Considers that the appraisal ignores this work. Objects to lack of sensitivity in document to residents [of Perridge Close]. Corrects spelling of Alphinbrook to Alphin Brook.</p> <p><i>See previous responses. The Park and Ride is being proposed by Devon County Council and falls outside the scope of this appraisal. The appraisal is an objective study of an area in the same format as 17 previous appraisals within Exeter and is not written to cause offence to any groups or individuals. Spelling correction noted.</i></p>
7. Marigolds, Perridge Close	<p>Natural beauty of area acknowledged by local residents and by the appraisal document. Park and Ride scheme will despoil this quality and would open floodgates for further development. Area is part of Green Circle Walk, enjoyed by many.</p> <p><i>See previous responses. The Green Circle Walk will not be affected by the proposed alterations to the conservation area.</i></p>
8. Meadowbank, Perridge Close	<p>Objects to lack of sensitivity in document to residents [of Perridge Close]. Corrects spelling of Alphinbrook to Alphin Brook. States that de-designation is to make it easier for future development to take place and the reason for the proposal is a greed for more council tax. Quotes English Heritage website on conservation areas and surmises that conservation area status is proposed to be lifted to allow the Park and Ride facility. Refers to the Exeter Landscape and Capacity Study, 2007. Concludes that the appraisal takes no account of English Heritage views or the findings</p>

	<p>of the study.</p> <p><i>See previous responses. The appraisal is an objective study of an area in the same format as 17 previous appraisals within Exeter and is not written to cause offence to any groups or individuals. Spelling correction noted.</i></p> <p><i>Appraisal is part of the wider programme of conservation area appraisals. Whether or not a site is developed for commercial purposes has no bearing on Council Tax income. English Heritage policies and guidance, as well as other published guidance sources are followed in the production of this and all other conservation area appraisals.</i></p>
9. Goshawk, Perridge Close	<p>Concerned about the proposed de-designation of the open land to the north of Doctors Walk. States that conservation area designation also takes into account wildlife, geological, landscape and historical features. The area is of great beauty, which would be destroyed by housing development. Refers to findings of Exeter Landscape and Capacity Study, 2007 that notes the need to protect conservation areas. Infill housing would be detrimental to Exeter.</p> <p><i>See previous responses. Areas to remain designated as conservation area have been reconsidered following the public consultation and the ridge line and historic route is no longer proposed to be deleted from the CA. Conservation area designation is primarily about protection of urban areas and the spaces and landscape closely associated with them rather than the protection of open countryside, which is the case at Alphin Brook. The original conservation area boundary was drawn more widely than is recommended by national policy and guidance produced subsequently and therefore through the Council's ongoing appraisal programme it is appropriate to reconsider the efficacy of previous boundaries. There is no suggestion that de-designation will mean an increase in development.</i></p>
10. Ashling, Perridge Close	<p>Quotes from the Planning Committee minutes of 17 June 1991 on the original conservation area designation and concludes that many of the original reasons for designation have been excluded in the draft appraisal. States that there will be a lack of control over the preservation of important features such as walls, trees and some unlisted buildings. Asks what has changed since 1991. Suggests that the proposals represent a reversal of the Council's policy.</p> <p><i>See previous responses. Conservation area designation, unless accompanied by an Article (4) Direction offers no protection over the removal of certain features. Trees can be separately protected by a Tree Preservation Order if appropriate. The proposals do not represent a reversal of Council policy.</i></p>

<p>11. Dunsford Hill House, Dunsford Road</p>	<p>Reiterates any comments from neighbours on Perridge Close and Dunsford Hill. Disagrees with comment that this property has no overall architectural design or character. <i>See previous responses. Reference to the properties in this area as having no overall architectural design or character is a general point about the overall character and appearance of this part of the conservation area and should not be taken to mean that there are no individual buildings of character.</i></p>
<p>12. Solheni, Dunsford Road</p>	<p>Countryside within the conservation area is of high landscape quality and views of this are important when entering Exeter. A30 should have been screened properly when constructed and then noise intrusion would have been less relevant. Horse related activities not detrimental to conservation area. Questions coincidence of park and ride proposals. Green Circle Walk falls within the existing conservation area and would be affected if de-designation led to an increase in development and traffic. <i>Agreed that the landscape and views are important, however conservation area designation is primarily about protection of urban areas and the spaces and landscape closely associated with them rather than the protection of open countryside, which is the case at Alphin Brook. Reference to horse related activities is removed from final draft. The Green Circle Walk will not be affected by the proposed alterations to the conservation area. The removal of conservation area designation would not change the way in which the Council viewed any future development and there remains a presumption against inappropriate development within sensitive areas.</i></p>
<p>13. No address (received by email)</p>	<p>Agrees with the de-designation of fields to the west of Ide House and most of Little John's Cross but disagrees with de-designation of land north and south of Balls Farm Road. Alphin Brook is integral to the landscape setting of the older buildings. Hambeer Lane is an historic feature. No mention made of Clarke's Pond, a natural pool feature within the Alphin Brook in the field to the east of Crabb Lane. Amenity of area could be spoiled by inappropriate development. The garden of The Briars should be included in the amended area as it integral to the house and has specimen trees. <i>See previous responses. The field containing Clark's Pond is proposed for removal from the CA. Proposed amended boundary retains Hambeer Lane within the CA. The boundary has also been amended to include The Briars.</i></p>
<p>14. Little Johns Lodge, Dunsford Road</p>	<p>Does not consider that sufficient justification has been given for the proposed changes to the conservation area designation. Assumes that the reason is to pave the way for future development. <i>See previous responses. Conservation Area designation does not preclude development. The land is already designated as part of the Alphington/Whitestone Valley Park and includes a site of Nature Conservation Importance, which together are covered by policies L1 and LS1 – 4 within the Local Plan. There remains a presumption against inappropriate development within such designated areas.</i></p>

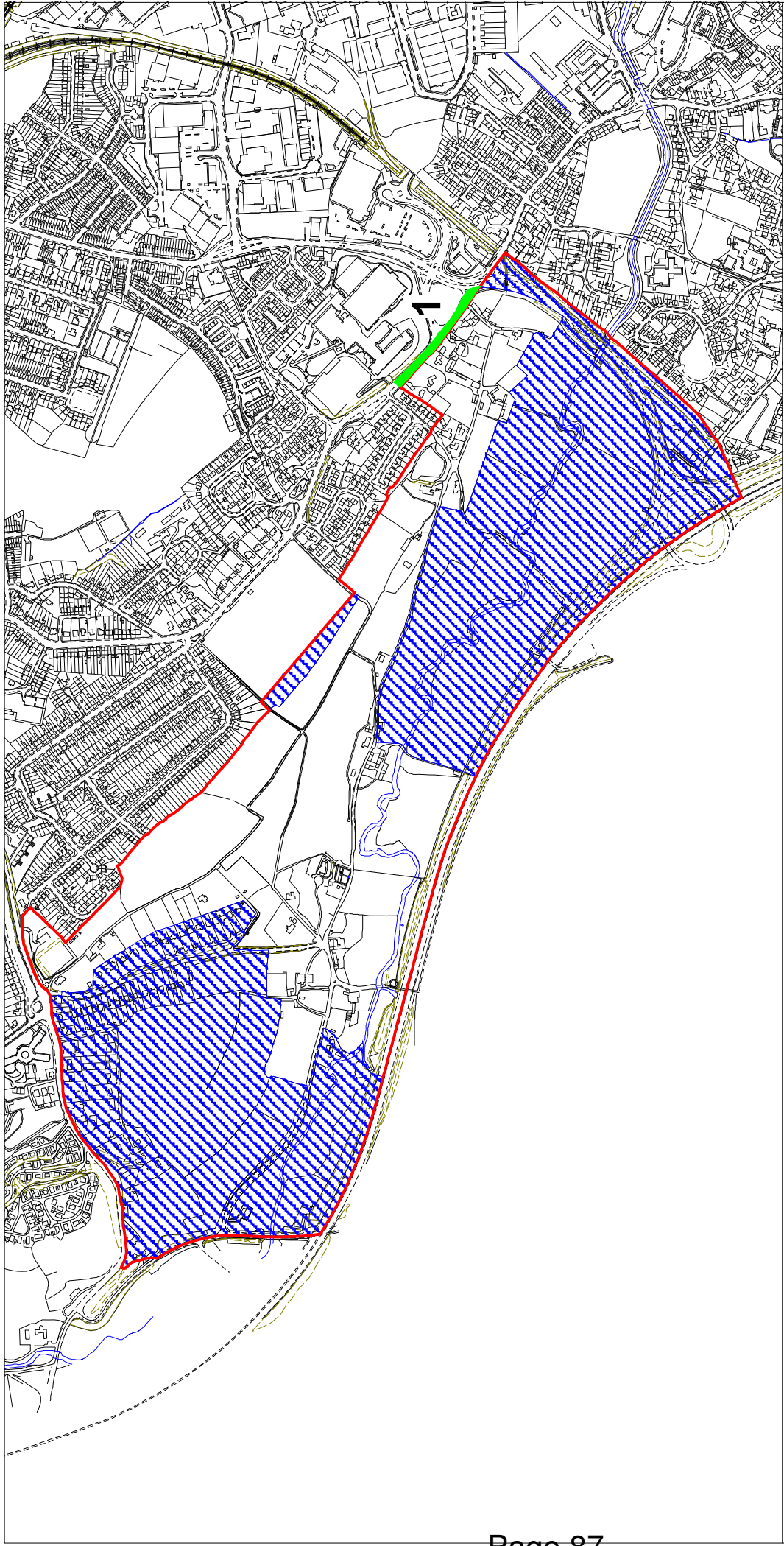
<p>15. Little Briars, Crabb Lane</p>	<p>The draft appraisal has been written to support preordained recommendations rather than being an impartial assessment of the existing conservation area. Notes that the judgement regarding suitability for conservation area designation had previously been made in 1991 and that this appraisal ignores many of the findings of this designation. Argues that many of the features seen as negative were already in place at the time of initial designation. Noise intrusion is a consequence of building the A30 and would be made significantly worse if Park and Ride facility were built. States that the Country Park environment is vital in the overall appearance of the conservation area.</p> <p><i>See previous responses. The appraisal is an objective study of an area in the same format as 17 previous appraisals within Exeter and no views were formed prior to the appraisal taking place.</i></p>
<p>16. 14 Little Johns Cross</p>	<p>Boundary should remain as it is. Proposed alterations will make it easier for developers to obtain planning permission for buildings not in keeping with the area.</p> <p><i>See previous responses</i></p>
<p>17. Oakridge, Little Johns Cross Hill</p>	<p>Past developments cannot justify reduction of protection of conservation area. Quarrylands (top of Hambeer Lane) should be retained within the conservation area. The conservation area is continually under threat from development and some approvals do not take into account the special character of the area. The original designation was made years ago and should be respected.</p> <p><i>See previous responses. Quarrylands and Hambeer Lane are now proposed to be retained within the Conservation Area.</i></p>
<p>18. Little Johns Cross, Dunsford Road</p>	<p>Hambeer Lane is recognised in the appraisal as being an important historic feature but is then excluded. Designation should remain around groups of buildings otherwise their relevance within the landscape is removed. Disagrees with reference to horse related activity as eroding the character of the area. States that the area is a well used and highly regarded open area and refers to the Green Circle Walk. Asks whether the areas to be excluded may be built on without impunity as this would erode historic context of remaining conservation areas. Questions the timing of the appraisal in light of the Park and Ride proposals.</p> <p><i>See previous responses</i></p>
<p>19. Rock Cottage, Balls farm Road</p>	<p>Once the land is de-designated housing/retail development becomes possible, resulting in loss of “green lung” for Exeter. Area has high amenity value which would be lost through development. Suggest small areas that could be deleted but proposes that most of the area should remain designated and makes specific mention of Hambeer Lane. Council should encourage more tree planting, possibly by grant? Park and Ride would be a useful development to reduce congestion.</p> <p><i>See previous responses.</i></p>

20. Courtyard Cottage, Balls Farm Road	There should be no encroachment on the green area as it is an area of great beauty and a welcoming sight on entering Exeter. The trees serve as a barrier to noise and CO ₂ emissions. <i>See previous responses. Natural beauty of area acknowledged by local residents and by the appraisal document.</i>
21. Beechwood, Perridge Close	Exeter Landscape and Capacity Study 2007 recommends the need to protect sensitive landscape areas. Appraisal points out importance of keeping conservation area. Views from the A30 are particularly important. Green corridor is important for wildlife. <i>See previous responses. Views and trees are considered important and there are no recommendations or proposals that will affect these. The importance of the green corridor is recognised through other designations on the land; it is part of the Alphington/Whitestone Valley Park and includes a site of Nature Conservation Importance, which together are covered by policies L1 and LS1 – 4 within the Local Plan. There remains a presumption against inappropriate development within such designated areas.</i>
22. The Crosse House, Balls Farm Road	Proposed boundary alterations would have a detrimental impact on the historic area. The open meadows to the south and Hambeer Lane, an ancient ridge route to the north, set natural boundaries. Views across and into the conservation area from the A30 are important. Interesting mix of buildings should be preserved and area should be retained as a green belt for Exeter. Park and Ride should not be allowed. Area is a showcase of Devon architecture and many of the dates mentioned in the report are conservative. <i>See previous responses. Dates of buildings will be checked and any amendments found to be necessary will be included in the final draft, however dates are of existing buildings and not previous buildings on the same site.</i>
23. Address given but not for publication	Boundary amendments would not more fully reflect the historic area and would dilute and downgrade this green belt area and make way for further development. Report does not refer to the Alphin Brook that gives the area its name. Would not support Article 4 Direction. <i>See previous responses. Article 4 Direction is not being proposed at this time.</i>
24. 39 Cowick Hill	Exeter needs its green spaces to support wildlife. Council should be looking to protect these environments. <i>See previous responses.</i>
25. Woodlands, Balls Farm Road	Boundary should not be amended, area enjoyed by residents and visitors alike. Clarks Pond is an important feature and banks of brook should not be turned into concrete. Important that the green belt is protected by conservation regulations. <i>See previous responses.</i>

26. Alphin Cottage Balls Farm Road	Area designated in 1991, why change it now? Areas deleted would be in danger of development. Area well used by walkers and cyclists. Objects to terminology of “featureless” field. <i>See previous responses. Will reconsider terminology where appropriate.</i>
27. Goshawk, Perridge Close	Objects to boundary amendments but particularly proposed deletion of area between Doctors Walk and Perridge Close. Conservation Areas are based on wildlife and geographical features, not just architectural ones. Land is a wildlife corridor and should be preserved. Exeter Landscape Sensitivity Study refers to protecting conservation areas. <i>See previous responses.</i>
28. Fairhaven, Little Johns Cross Hill	Objects to the amendments to the boundary. Hambeer Lane should be retained. Deletions will result in planning permission being granted in these areas. Only reason to delete area on the valley floor is to make way for the Park and Ride which will ruin the area. Gravestone to Alphin Brook Valley is lost (may be in field to east) and should be found and reinstated by the bridge. <i>See previous responses. The Gravestone was to mark the loss of the Alphin Brook Valley when the A30 was constructed.</i>
29. Holmbush, Ide	Amendments do not take into account the use of the area for wildlife and recreation and area is part of Green Circle Walk, enjoyed by many. Hambeer Lane, Roly Poly Hill and the Alphin Brook should remain within the conservation area. Document is negative and does not reflect opinions of residents. Negative elements have been overplayed. <i>See previous responses.</i>
30. By email, no address given	No compelling reason to amend the boundaries as area remains unchanged since original designation made. Fly tipping not a problem in the area anymore. <i>See previous responses.</i>
31. Flat 2, The Villa, Cowick Lane	Amendments unnecessary. Removing designation will allow development of car parks and housing estates. <i>See previous responses.</i>
32. By email, no address given	Document is well informed and sensitive however there are no compelling reasons for deleting areas that were designated in 1991 and nothing has changed in these areas since this time. <i>See previous responses.</i>
33. Eaton Garth, Cowick Lane	Appraisal fails to make any case for the proposed boundary amendments. Removing the conservation area designation will result in development of one of the few remaining rural areas within the city. <i>See previous responses.</i>

34. Ide Parish Council	Existing conservation area is a well used amenity and there should be no change to its status or size. <i>See previous responses.</i>
35. Steeperton, Little Johns Cross Hill	Sees no reason for amendments to the boundary. Does not want to see the area turned into another estate with buildings on the skyline. Mentions the headstone at Ide Bridge that was erected at the time the A30 was constructed. <i>See previous responses.</i>
36. Hillside, Little John's Cross Hill	Does not see any reason for amendments to boundary. Considers changes will lead to relaxation of planning control and therefore the building of unsightly residential estates. Area provides green spaces enjoyed by many local people. <i>See previous responses.</i>
37. Kilimari, Perridge Close	The boundary amendments do not more fully reflect the historic area. They could lead to development that would seriously impinge on the area. Does not want to see any further suburbanisation of landscape. Trees along Hambeer Lane could be threatened. Exeter is enhanced by the pleasant areas in and around its boundaries. <i>See previous responses.</i>
38. 57 Ide Lane	Does not agree with proposed boundary amendments. Deletion of open areas will lead the way for development of houses or the Park and Ride which would spoil the countryside enjoyed by many. Oaklands Riding Stables contributes to the Riding for the Disabled project and this may be under threat if the area is developed. Considers conservation area appraisal programme as an abuse of Council power in order to obtain a Park and Ride site by the back door. <i>See previous responses.</i>
39. Barton House,	No necessity for the boundary to be amended. Historic aspects of the area are accurately covered. Concerns that motives for deletions include making it easier to approve the Park and Ride site. Area should remain conservation area in perpetuity to protect the open space that is enjoyed by many. <i>See previous responses.</i>
40. Underwood Cottage, Balls Farm Road	Conservation Area should remain as it is to deter development and stop park and Ride proposals. If there are changes to be made, then the whole area should be declassified as then development opportunities would be available to all. Balls Farm Road is used as a rat run and this would be made worse if more development is permitted. Balls Farm Road should be closed at Twisted Oak to prevent through traffic. <i>See previous responses. Suggestion to close Balls Farm Road will be forwarded to the highway authority.</i>

41. Ide House	Valley Park designation was to facilitate casual recreation and the appreciation of the countryside. Proposed boundary amendments would reduce the potential for meeting this objective. Assumes proposals are to permit further development of the land and the construction of the Park and Ride facility. Comments on efficacy and shortfalls of proposed new conservation areas. Concludes that existing boundaries of the Valley Park should be retained. <i>See previous responses. The appraisal considers the existing conservation area and not the Valley Park, which is unaffected by these proposals.</i>
42. Flat 3, The Villa, Cowick Lane	Boundary should be left as it is as changes could lead to further development. There is not enough emphasis in the document on the lanes and footpaths and the impact these have on the area. <i>See previous responses. Wording of document will be reconsidered in terms of emphasis.</i>
43. Lower Acre, Little Johns Cross Hill	Reduction in size of Conservation Area waters down its effectiveness and development is likely to occur in de-designated areas that will put pressure on the new, smaller areas. Fields form part of the historic landscape and must be protected. Proposal is a negative approach to protection of the area and would lead to pressure to develop the area. <i>See previous responses.</i>
44. 11 Little John's Cross Hill	Considers that proposed amendments do not fulfil the Council's criteria for boundary amendments and that the 1991 appraisal preserved the rural/arcadian area on the fringe of the city. List of strengths in the document is convincing but the weaknesses are less so. <i>See previous responses.</i>
45. Holmbush Cottage	Boundary amendments are acceptable but go too far. Map submitted showing preferred amendments. Alphinbrook Valley should remain a conservation area. Clarks Pond should be retained within the conservation area. Does not disagree with Park and Ride proposals but a 10m area east of Crabb Lane should be retained. Development could be allowed along the ridgeline and upper fields, but valley floor should be protected. <i>See previous responses.</i>





Scale 1:10000 ↑

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24/12/2008

Alphin Brook Conservation Area Appendix 3 New

 To be deleted

 1 To be included

Planning Services & Building Control, Exeter City Council, Civic Centre, Paris Street, Exeter, EX1 1NN

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Exeter City Council

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EXETER CITY COUNCIL

EXECUTIVE
10 FEBRUARY 2009

PROPOSED EXTENSION TO HEAVITREE CONSERVATION AREA

1.0 PURPOSE OF REPORT

- 1.1 To agree an extension to the Heavitree Conservation Area to include the St Loyes Hotel on Salters Road.
- 1.2 A plan of the proposed extension is attached.

2.0 BACKGROUND

- 2.1 The Heavitree Conservation Area was designated in December 1983 and the Conservation Area Appraisal and Management Plan was adopted in March 2004.
- 2.2 The proposal to extend the conservation area has come about due to the closure of the St Loyes Hotel in 2007 and subsequent redevelopment proposals for the land to the rear. The building itself is therefore considered to be under threat of demolition.
- 2.3 This prompted a survey of the area that identified the former Hotel as having special architectural and historic interest with no statutory protection controlling demolition. So that this area has appropriate protection and future development is guided effectively, it is proposed that the Heavitree Conservation Area boundary is extended.

3.0 KEY CONSIDERATIONS

- 3.1 The Planning (Listed Buildings and Conservation Areas) Act 1990, defines a Conservation Area as “an area of special architectural or historic interest, the character and appearance of which it is desirable to preserve or enhance, to ensure its value is retained for future generations to enjoy.”
- 3.2 Section 69 of the Act states that “*every planning authority shall from time to time determine which parts of their area are areas of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance and shall designate those areas as conservation areas*”.
- 3.3 Within Conservation Areas, it is the character of the area as a whole that is important and, unlike listed buildings where the decision to list lies with the Secretary of State, judgement is made by the Local Planning Authority on the basis of local and not national criteria. The City Council has set a list of criteria against which new conservation areas or alterations to existing boundaries are measured. In setting these criteria, it is essential that the “specialness”, in the local or regional context, is recognised and the City Council has sought to establish a consistent and responsible approach when considering the extent of designation and its adequacy across the whole of the City. Failure to do so can seriously devalue the status of Conservation Areas and whilst designation can

be a legitimate response to a real or perceived threat to the character or appearance of an area, it is still essential to consider first whether an area is of sufficient architectural or historical interest to warrant designation.

4.0 APPRAISAL OF THE SITE

- 4.1 The St Loyes Hotel is a purpose-built pub dating from 1936. It was designed by local architect F.W Beech, using the Art Deco influences of the time and, even though it is closed for business, it remains visually intact and a dominant feature in the street scene.



F.W Beech's other work in the City includes the Kings Arms, Buddle Lane and the Dingles House of Fraser department store (formerly Coulsons).

- 4.2 Salters Road is predominantly an early 20th Century housing estate, built on former orchards. The pub was purpose built to serve the new community, although the Heavitree stone outbuilding to the north was a remnant from the former buildings on the site and dates from at least the 1880's. Similarly the Heavitree stone wall that runs behind the more recent properties of 2 – 10 (odd) Salters Road appears on the historic maps of this time.



- 4.3 The property is individual in terms of the surrounding streetscape and the open frontage allows glimpse views of it from Heavitree Road and sequential views along Salters Road.

- 4.4 The massing and proportions of the building are sympathetic to the size of plot, location and use and make a positive contribution to the street scene. The elevations display many features associated with the Art Deco style, including the curved entrance vestibules with rising pilasters, the uniform and original Crittall fenestration, the leaded canopies above the first floor balconies and the perfect symmetry of design. The roof is a natural slate behind a parapet, which effectively reduces the impact of what would otherwise be a dominant feature on a building of this scale. The smooth white render finish is appropriate to this age of property.
- 4.5 The land behind (previously the pub garden) is well enclosed and many of the walls are constructed of Heavitree stone with brick infilling. These walls appear on the 1889 OS map and are therefore likely to be contemporary with the former buildings on the site. The rear of the Hotel extends into this garden and remains as planned and built in 1936. It has retained its original windows and roof and makes a positive contribution to the area.



- 4.6 PPG15 states that when identifying potential conservation areas, consideration should be given to many aspects of the townscape, including historic property boundaries, characteristic materials and appropriate scaling and detailing (para. 4.2). It also states that local authorities should establish consistent local standards for designation of conservation areas and boundaries should be set against these standards.
- 4.7 The Council has produced a list of criteria for boundary amendments that is attached at Appendix I. This proposal meets criteria 1, 2, 3 and 4 of this list.
- 4.8 The St Loyes Hotel represents an intact and unspoilt example of an interesting building style, of which there are not many examples remaining in the City. Additionally, the presence of the earlier outbuilding and garden walls and the use of Heavitree stone in these features gives the site character. The overall architectural and historic interest of the site is appropriate for conservation area designation.

5.0 CONCLUSIONS

- 5.1 The area is of special architectural or historic interest for the reasons outlined above and is a development site.

- 5.2 Conservation Area status would bring demolitions under planning control, thereby allowing any archaeological, building and townscape issues to be discussed and conditioned, where necessary.
- 5.3 Under the Act, the Council has the power to designate a conservation area on the basis of an officer recommendation. The designation is required to be advertised in the local paper and the London Gazette but there are no other formal requirements. The City Council's normal procedure is to include public consultation in the designation process.
- 5.4 The affected owners will have been informed prior to Executive and any comments will be reported at the meeting. It is proposed to make the designation and then undertake further public consultation.
- 5.5 The existing appraisal can be easily updated to reflect the proposed changes.
- 6.0 RECOMMENDATION**
- 6.1 That the Heavitree Conservation Area Appraisal and Management Plan be extended in accordance with the attached plan.

RICHARD SHORT
HEAD OF PLANNING & BUILDING CONTROL

ECONOMY & DEVELOPMENT DIRECTORATE

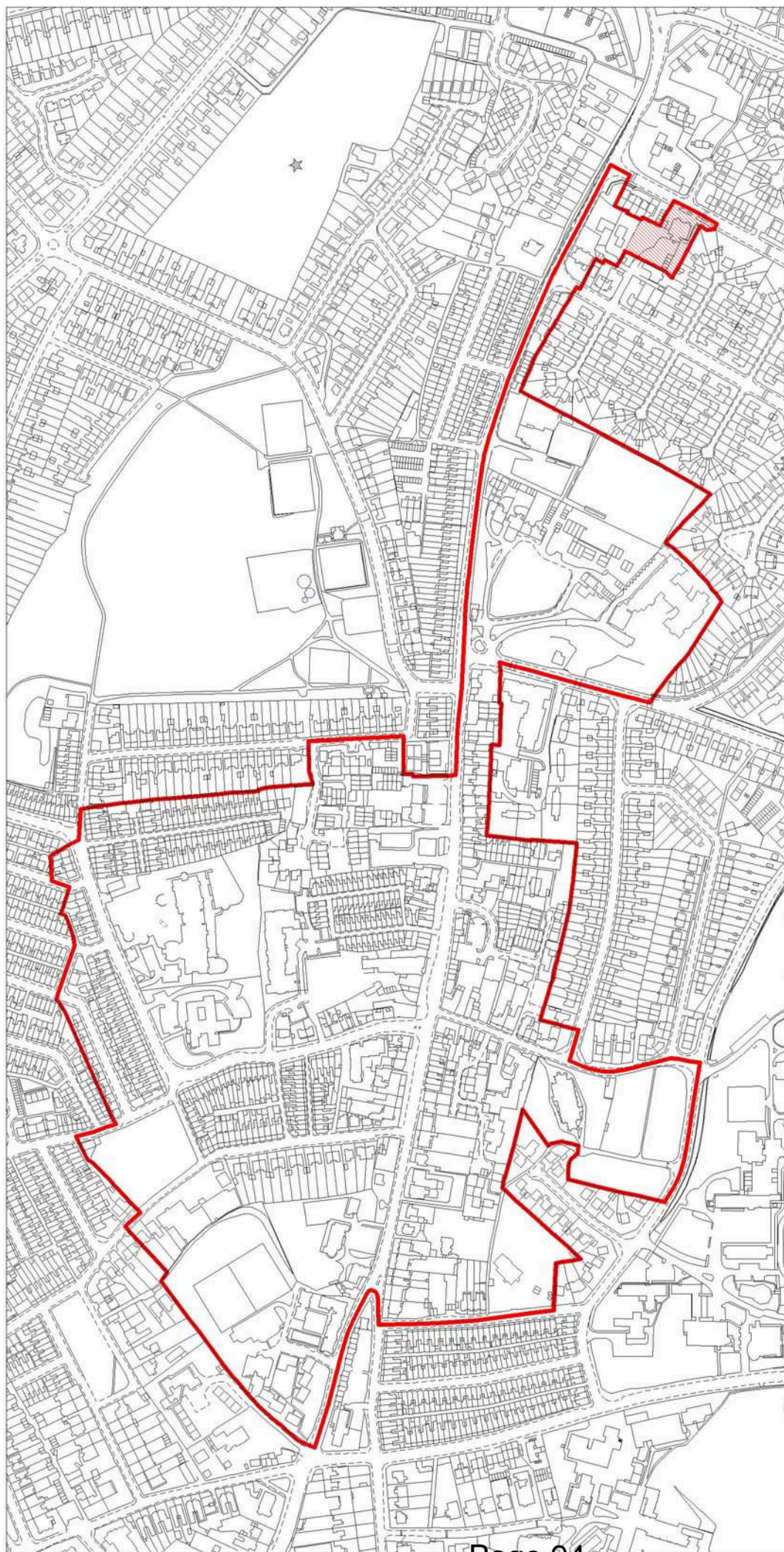
Background papers used in compiling this report:
None

CONSERVATION AREA APPRAISALS

CRITERIA FOR PROPOSED BOUNDARY AMENDMENTS

The starting point should be a presumption against altering boundaries unless there is a strong case based upon the appraisal.

1	Conservation Area boundaries should be drawn to include relevant building groups that have coherence and similarities in either materials, periods or styles and open spaces surrounding these that form an integral part of the building groups (with regard to the fact that CA's are primarily about buildings and their related land not open spaces).
2	Boundaries should still exist on the ground and make sense.
3	The setting of important features should be adequately protected.
4	Changes in attitude to architecture and history should be addressed.
5	The impact of any changes in legislation should be addressed.
6	There must be a compelling case for deleting areas that were previously designated.
7	Areas that lack character (holes) lying within the proposed Conservation Area may be included where there is a reasonable probability that a substantial part of the area will be redeveloped within 5-10 years and the designation can therefore influence the quality of development. (It is assumed that CA's will have a life of 5-10 years between reviews). Where a substantial redevelopment scheme has already been approved and is likely to proceed, the decision should rest on whether there is a clear case that the approved scheme will enhance the character of the area.
8	Holes characterised by substantial areas of relatively modern or mundane development where redevelopment is unlikely should be excluded.
9	Where existing areas of a Conservation Area are considered in the appraisal to have more in common with an adjoining Conservation Area, it should generally be removed from the area being appraised and appended to the adjoining area in order to be fully appraised when that area undergoes its next appraisal.
10	Existing Conservation Areas should only be amalgamated or subdivided if there is a clear case that the proposed amendment more accurately reflects the appraised character.



Scale 1:5000 ↑

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22/01/2009

Heavitree Conservation Area - Proposed boundary amendment



Proposed to be included

Planning Services & Building Control, Exeter City Council, Civic Centre, Paris Street, Exeter, EX1 1NN

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Exeter City Council

EXETER CITY COUNCIL

EXECUTIVE
10 FEBRUARY 2009

STAFFING TERMS AND CONDITIONS OF EMPLOYMENT

1. PURPOSE OF THE REPORT

- 1.1 To (1) give further consideration to the discretions currently agreed by the Council for redundancy/efficiency compensation; (2) consider and agree a Redundancy Selection and Redeployment Policy for the Council in the event of compulsory redundancy situations; and (3) to give further consideration to the arrangements for protecting pay of employees in cases of redundancy redeployment and downgrading of posts.

2. LOCAL GOVERNMENT (EARLY TERMINATION) (DISCRETIONARY COMPENSATION) (ENGLAND AND WALES) REGULATIONS 2006 (REDUNDANCY/EFFICIENCY PAYMENTS)

- 2.1 These regulations came into force on the 29 November 2006 and had retrospective effect from 1 October 2006. They required the Council to formulate a policy on how, and if, to use the new discretion for compensation payments which it agreed on 27 March 2007.
- 2.2 The discretions agreed were based on the expectation of limited redundancy/efficiency programmes being effected in the Council which would have limited, overall, financial impact.
- 2.3 A number of options were available for consideration by the Council and the following discretions were agreed:
- To use the employee's actual week's pay to calculate the compensation payment as previously applied (standard local government agreement).
 - Continue to apply the same formula to both redundancies and early retirement in the efficiency of the service.
 - To use the statutory redundancy payment calculator as the basis of calculating the compensation payment and multiply the statutory redundancy payment calculator by 3.46 to arrive at a compensation payment, subject to any figure not exceeding 104 weeks' pay.
 - That each case be treated on its merits taking into account a business case.
- 2.4 The Council consulted with the recognised Trade Unions and advised Devon County Council, as Administering Authority, of the Council's policy and notified employees of these discretions.

3. REVIEW OF EXISTING DISCRETIONARY PAYMENTS

- 3.1 The Council is moving into a challenging period of tightening revenue budgets. The impact of these challenges facing the Council will require an ongoing programme of efficiencies and budgetary savings.
- 3.2 When considering the impact of the discretionary payments arrangements currently in place for terminating employment on the grounds of redundancy/efficiency of the service, it is necessary to consider the overall financial impact this will have on the Council's ability to protect jobs and services.
- 3.3 In considering the discretionary compensations arrangements the Council has a number of options available when applying a multiplying factor. It chose at the time to apply the maximum discretion available, a 3.46 multiplier. This discretionary compensation has been used to facilitate a small number of voluntary and compulsory reductions in staffing levels since its introduction.
- 3.4 It is now prudent to review this discretion for future applications, having regard to its affordability should its usage increase.
- 3.5 The recognised Trade Unions have been consulted on a proposal to reduce the multiplier from 3.46 to 2 which is in line with a number of other local authorities and is considered more affordable. Feedback is being sought through Trade Union member consultation and an update will be provided to the Executive at its meeting.

4. REDUNDANCY SELECTION AND REDEPLOYMENT POLICY

- 4.1 The Council has agreed policies and protocols for the management of redundancy and termination of employment in the efficiency of the service.
- 4.2 These policies do not currently extend to include the selection criteria for compulsory redundancy situations or good practice guidance for redeployment opportunities for displaced staff.
- 4.3 The Council remains committed to ensuring that skilled and experienced staff are retained within the organisation as far as possible during periods of staffing reductions.
- 4.4 This commitment extends to ensuring, wherever reasonably practicable, suitable alternative employment and re-training opportunities are maximised across the whole Council.
- 4.5 A Redundancy Selection and Employment Policy is attached (Appendix A). The main areas of consideration in this policy are:
- To restate the Council's commitment to the avoidance of compulsory redundancy, wherever practicable.
 - To outline a selection procedure where compulsory redundancy is necessary, and to ensure that decisions are made on objective criteria which is transparent and structured.
 - To apply an assessment model which weights criteria for selection.

- To ensure rights of appeal are available where grounds for selection are challenged.

5. PROTECTED PAY ARRANGEMENTS

- 5.1 As part of the introduction of the Single Status agreement and the implementation of Job Evaluation on the 1 October 2000, a protected pay arrangement was introduced. This applied to cases where employees were redeployed into lower graded jobs following redundancy or where their jobs were downgraded following a Job Evaluation of their post.
- 5.2 The arrangement provided for their existing salary level to be protected for a period of 5 years, or until such time as the rate of pay in the new job caught up with the protected level, whichever was the shorter. The agreed national pay award was only applied to the protected pay level for the first 2 years of the period of protection.
- 5.3 It is now considered that a protected pay period of 5 years is not sustainable in equal pay terms and that the period should be reduced to 3 years with national pay awards being applied for the first 2 years as now. A 3 year pay protection period is considered sustainable in equal pay terms.

6. CURRENT ORGANISATIONAL CHANGE AND REVIEW

- 6.1 The Council is currently part-way through a number of structural reviews, budget prioritisation and downsizing of staffing arrangements due to external funding pressures.
- 6.2 These processes have been the subject of consultation with the Trade Unions, budgeted for and in many cases are in the formal notification stage of redundancy dismissal procedures.
- 6.3 Many of the staff affected by these decisions have been advised of their severance arrangements and are currently protected by the Council's agreement on discretionary payments. It is, therefore considered reasonable to apply the current compensation multiplier to redundancies and terminations of employment in the interests of the efficiency of the service to those currently being considered with the new multiplier applying to future efficiency/restructuring proposals.

7. RECOMMENDATIONS

- 7.1 Based on the Council's existing practices and retaining as much flexibility as possible with consideration to funding implications, the following recommendations are made, subject to consideration of any reported views of the recognised Trade Unions:
 - a. LOCAL GOVERNMENT (EARLY TERMINATION) (DISCRETIONARY COMPENSATION) (ENGLAND AND WALES) REGULATIONS 2006 - (REDUNDANCY/EFFICIENCY PAYMENTS)
 - To reduce the discretionary multiplier from 3.46 to 2 with a maximum of 60 weeks for both redundancy and terminations of employment in the interests of the efficient exercise of the Council's functions.
 - To implement the changes with effect from 1 April 2009 except as indicated below.

- To continue to apply the maximum discretion arrangements that are currently in place to those redundancies and terminations of employment in the interests of the efficient exercise of the Council's functions arising from the current AFU restructure, the staffing reductions being considered at the RAMM (consequent upon Renaissance funding) and any staffing reductions resulting in the budget savings to be agreed by Council in February 2010 for the financial year 2009/10.
- To continue to consider each case on its own merits taking into account a business case.

b. REDUNDANCY SELECTION AND REDEPLOYMENT POLICY

Subject to the consideration of any reported views of the recognised Trade Unions:

- To introduce the Redundancy Selection and Redeployment Policy as outlined in Appendix A to complement the current Redundancy Policy.

c. PROTECTED PAY ARRANGEMENTS

To reduce the period of protecting pay, in cases of redeployment to a lower graded post following redundancy or when a post is downgraded following Job Evaluation, from 5 years to 3 years with pay awards being applied for the first 2 years.

- d. To notify the recognised Trade Unions and advise Devon County Council, as Administering Authority, of the Council's policy and notify employees.

DIRECTOR CORPORATE SERVICES
HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:
None

2 February 2009

EXETER CITY COUNCIL

REDUNDANCY SELECTION AND REDEPLOYMENT PROCESS

1. PROCEDURE

- 1.1 This procedure will apply to all employees identified as being at risk of redundancy.

2. SCOPE

- 2.1 This process, where appropriate, should be considered in conjunction with the Council's Redundancy Policy. It outlines the process to be followed in the event of any potential redeployment situation arising within the City Council.
- 2.2 The process applies to all permanent employees of the City Council. The agreement will also apply to employees on temporary, casual or fixed term contracts who fall within the protection given by the current employment legislation.

3. COMMITMENT

- 3.1 The Council re-affirms that its policy remains to seek to avoid compulsory redundancies wherever possible. To this end, the Council will, when appropriate, and possible:
- (a) Impose limitations on recruitment
 - (b) Use natural wastage
 - (c) Seek to reduce the use of casual, agency workers and other temporary employees wherever possible
 - (d) Reduce non-contractual overtime working
 - (e) Redistribute duties
- 3.2 There will be fair and consistent treatment of all employees who are subject to redeployment.

4. REDEPLOYMENT

- 4.1 In appropriate circumstances the re-training and redeployment of existing employees into appropriate vacancies will be considered. In this event the Council will retain the right to determine the suitability of candidates
- 4.2 The redeployment period will start from the date an employee is formally identified as 'at risk', and will last until their statutory notice period ends.

5. COMPULSORY REDUNDANCIES

- 5.1 When considering compulsory redundancy and selection criteria the Council will have due regard to all equality legislation.

- 5.2 The need to maintain a balance in the workforce relating to skills and experience to meet future needs will be a key priority and the Council may first identify any posts exempt from redundancy selection required to meet these future needs.
- 5.3 Should compulsory redundancy become necessary the Council will select employees for redundancy in the categories or 'pool' of employees identified as affected using the procedures at Annexe A.
- 5.4 The Council supports the principle of redeploying employees into posts vacated by employees who volunteer for redundancy or early retirement (i.e. a 'bumped' redundancy) where this is acceptable, practicable and cost justifiable

6. STATUTORY REQUIREMENTS

- 6.1 All statutory rights relating to consultation, notice, information and assistance with future employment will be recognised.

7. SEVERANCE PAYMENTS

- 7.1 These will be in accordance with the Council's policy which may be amended from time to time.
- 7.2 If termination arises on the grounds of redundancy the redundancy calculation and payment will be as follows:

The payment will use the statutory redundancy calculator and use the employee's actual week's pay and apply a multiplier of (x) to this weekly pay figure. The maximum total redundancy payment permissible is (x) weeks pay.

- 7.3 If early retirement occurs for reason of redundancy or for the efficiency of the service the employee, if aged 55 or over (or 50 or over if they joined the Local Government Pension Scheme (LGPS) before 1 April 2008 and are made redundant before 1 April 2010), will be able to access pension benefits based on actual pension provisions, no augmentation will be applied.

8. REVIEW OF POLICY

- 8.1 This policy and the associated procedures are not intended to remove or reduce individual employment rights. The policy and associated procedures may be reviewed, when appropriate.

9. SELECTION PROCEDURE

- 9.1 Where the avoidance of compulsory redundancy is not possible employees will be selected using the appropriate procedure set out below:
- 9.2 This procedure will apply where:-
- An employee's post is deleted from the establishment as part of a restructure or organisational change of service priorities.
 - A number of posts are being deleted which are the same in terms of job description and person specification.
- 9.3 The employees identified as 'at risk' will be invited to apply for any post that is considered to be suitable alternative employment. Employees will be given prior

consideration on vacant posts in the Council of the same or lower level salary of their deleted post. Employees will be given the job description and person specification for the post(s) concerned and asked to indicate preferences, where appropriate.

- 9.4 When expressing an interest in any post the employee must complete a Skills Audit Form, (Annexe B). This form is similar to the Council's job application form and will be used as part of the assessment process.
- 9.5 An employee who can meet the essential requirements of the post (as set out in the person specification) will be offered an interview. Appointments will be made on the basis of ability to perform the job. To this end, a variety of selection assessment methods appropriate to the level of the post may be used. In the event of more than one employee accepting an interview for the same post, the employee who most closely meets the overall requirements of the post as set out in the job description/person specification will be offered the post.
- 9.6 All offers of employment shall be made in writing, with the opportunity of a statutory trial period of four weeks. This period can be varied by agreement if appropriate.
- 9.7 If no appointment results, the post may be released for internal and/or external advertisement.
- 9.8 Consideration will be given to reasonable and appropriate retraining of employees who are appointed to a post under this procedure.
- 9.9 The Council's personal protection of remuneration practice will apply, if appropriate, to employees appointed under this procedure.
- 9.10 If the Council decides to terminate the offer of alternative employment for unsuitability, the date of dismissal, by reason of redundancy, will be at the end of the trial period.
- 9.11 The Human Resources Service will operate a redeployment administrative process centrally to ensure that all vacancy and recruitment information is made available to all 'at risk' employees across directorates. This will include full consideration of temporary and fixed term vacancies where appropriate and reasonable.

10. SELECTION CRITERIA

- 10.1 Employees will be selected for redundancy using the matrix set out in Annexe A. The selection criteria are as follows:
 - Skills and competencies
 - Disciplinary record
 - Attendance records
 - Experience/performance

The skills and competencies criteria will depend upon the post in question. The definition of this criteria will be determined (using job description/person specification). The definitions of the other criteria will be standard for all posts, with attendance records having due regard for the requirements of the Disability Discrimination Act 1995.

11. INFORMATION

11.1 Prior to assessments taking place each employee will be given a copy of:-

- a blank matrix showing the assessment criteria;
- a copy of the job description and person specification for the post; and;
- a blank skills audit form (Annexe B).

Each employee will complete the skills audit form. The information on the skills audit form will be used in the assessment process.

11.2 The appropriate line manager will be responsible for ensuring the accuracy of the factual information used in the assessment process for each employee. Records of this information should be maintained in the event of an appeal being lodged by an employee.

12. ASSESSMENT PROCESS

12.1 Each employee affected will be assessed using the matrix. Assessments will be made by the appropriate line manager and a representative from Human Resources who will ensure that the criteria is applied correctly and consistently.

12.2 The appropriate line manager will forward their recommendations to their Head of Service who will review them in conjunction with the Head of Human Resources, to ensure a fair and consistent approach, as necessary.

12.3 When agreed the Head of Service will inform each employee who has been selected for redundancy. The notification will include a copy of the individual's assessment and information on their appeal rights.

13. APPEAL RIGHTS

13.1 An employee aggrieved as to their selection for redeployment will have the right of appeal to the appropriate Director, assisted by 2 Councillors.

13.2 Notification of any appeal should be made in writing within 10 working days of receipt of their letter notifying them of their 'at risk' status and subsequent redeployment arrangements. The appeal hearing will be arranged at a convenient date as soon as possible.

13.3 An appeal could be based on the grounds that the selection for redundancy/ redeployment was unfair. An objection purely to the reason for declaring redundancy/redeployment does not allow a right of appeal.

REDUNDANCY SELECTION ASSESSMENT MATRIX

Criteria	Score	Weight	Weighted Score
Skills and competencies <ul style="list-style-type: none"> To be determined for each individual post using job description and person specification 	1-5	5	
Live Disciplinary Record <ul style="list-style-type: none"> No disciplinary record Verbal warning First written warning Final written warning 	5 2 1 0	1 1 1 1	
Attendance Record <ul style="list-style-type: none"> Excellent attendance, no instances of absence Above average attendance, some examples of absence/lateness but less than the selection pool average Attendance equivalent to selection pool average Below average or poor attendance compared with pool average Unacceptable levels of attendance 	5 3 2 1 0	1 1 1 1 1	
Experience/Performance	1-5	5	
Total Weighted Score			

Notes

- To achieve the total score for an employee, each of the criteria is weighted by a factor of one or five to reflect its relative importance. The weightings take into account the Council's requirements to meet its primary needs/targets as well as to maintain a balanced workforce.
- Having weighted the scores a total is calculated for each employee. The required number of employees (i.e. those with the lowest scores) will be provisionally selected for redundancy.

SELECTION CRITERIA

GUIDANCE NOTES

1. Skills and Competence

The job description and person specification for the post have been used to define this criteria.

2. Disciplinary Record

Only live formal warnings given under the terms of the disciplinary procedure will be taken into account.

3. Attendance Records

Number of days absent should be compared with the pool average for the preceding 12 months.

The following absences should be discounted when calculating the pool average attendance and individual employee attendance:-

- annual leave
- training
- special/compassionate
- maternity leave
- time off for antenatal care
- pregnancy related absence prior to maternity
- paternity/parental/adoption leave
- disability related absence or disability leave (in accordance with DDA 1995)
- time off for trade union duties/activities

SKILLS AUDIT FORM**Name****Current Job Title****Service / Department**

Taking particular account of the skills and competencies criteria on redundancy assessment matrix and the essential criteria listed on the person specification, please demonstrate what knowledge; skills; competencies and experience you have which are relevant to this job.

Experience**Skills/Competency**

include training received with appropriate dates

Relevant Qualifications

include approximate dates

Employee Comments

include any other relevant information

Signed: Date

This form must be completed and returned to

EXETER CITY COUNCIL

EXECUTIVE
10 FEBRUARY 2009

COUNCILLORS' ALLOWANCES 2009/10

1 PURPOSE OF REPORT

- 1.1 To consider the report and recommendations of the Independent Remuneration Panel on Members' Allowances in relation to Councillors' Allowances for 2009/10.

2 BACKGROUND

- 2.1 The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to provide the local authority with advice on its scheme of members' allowances and recommend the amounts to be paid.
- 2.2 The Panel, comprising representatives of the business and voluntary sectors, met on 15 December 2008. In developing the Panel's recommendations for the 2009/10 Allowance Scheme, Councillors were invited to respond to a survey inviting their views on general and specific aspects of the allowances scheme. This was followed by a small number of face-to-face and telephone interviews between Panel members and the Leader and newer Councillors, giving Members a further opportunity to express their views on the Scheme.
- 2.3 The Panel's report is attached at Appendix I. As for previous years, in arriving at its recommendations, the Panel again reflected on the principles and methodology set out in the earlier report of the independent adviser on members' allowances submitted to the Council in March 2001. They were also aware of the Government's response to the report of the Councillors Commission – "Representing the Future" on the incentives and barriers to becoming a Councillor. The Commission had previously put forward 61 recommendations, covering a wide range of issues. The Panel noted those measures which the Government planned to progress.
- 2.4 In accordance with the Regulations, a notice was published in a local newspaper setting out the Panel's recommendations and notifying the public that copies of their report were available for inspection at the Civic Centre and on the Council's website.

3 RECOMMENDATIONS OF INDEPENDENT REMUNERATION PANEL

- 3.1 The Independent Remuneration Panel has made the following recommendations to Council in respect of Members' Allowances for 2009/10, that:-
- (1) the basic structure of the current members' allowances scheme be retained for 2009/10, pending a more fundamental review including consideration of remuneration in the event of a shadow authority, when the outcome of the current review of local government in Devon is known, some of which may be determined by the Government in Implementation Orders;
 - (2) the basic allowance continue unchanged in 2009/10, updated using the index previously agreed (i.e. the annual local government staff pay award for the previous year);

- (3) subject to updating for inflation, the other Special Responsibility Allowances continue unchanged;
- (4) the principle that any member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only should be retained;
- (5) for the year 2009/10 Councillors' basic and Special Responsibility Allowances should be updated in line with the annual local government staff pay award for 2008/09 (2.45%);
- (6) that all Councillors be permitted to join the Local Government Pension Scheme, should they wish to do so, benefits to be based on both Basic and Special Responsibility Allowances;
- (7) the Travel and Subsistence allowances provisions for staff continue to apply to Exeter City Councillors, where appropriate;
- (8) the current Dependants' Carers' Allowance scheme be maintained and the level of allowance, currently £5.73 per hour, continue to be linked to and updated in line with the minimum wage; and
- (9) the co-optees' allowance payable to the co-opted members of the Standards Committee continue at £25 per session for 2009/10.

4 MEMBERSHIP AND REMUNERATION OF INDEPENDENT PANEL

- 4.1 Whilst the commitment and experience of the Independent Remuneration Panel members is acknowledged and greatly appreciated by the Council, it is considered best practice that the Panel is refreshed at intervals. Last year it was proposed that the existing Panel members should be requested to serve for one further year in order to complete the review exercise, and then consider a phased replacement. In the light of the current review of local government in Devon and with the consent of the current Panel members, it is considered prudent to retain their expertise for the current year with a view to beginning to refresh membership from 2010.

5 FINANCIAL IMPLICATIONS

- 5.1 The cost of the proposed allowances scheme for 2009/10 is £257,595 plus any allowances payable under items 7) to 10) inclusive. A budget of £259,640 has therefore been included in the estimates for 2009/10, subject to approval by Council on 24 February 2009. The Scheme recommended by the Panel for 2009/10 is attached at Appendix 2 to this report.
- 5.2 The Scrutiny Committee - Resources Budget Working Group at its meeting on 2 February 2009 requested that the recommendations of the Independent Remuneration Panel are considered in the context of the challenging financial situation currently facing the Council.

6 RECOMMENDED:-

- (1) That the Independent Remuneration Panel's recommendations as set out in paragraph 3 above are considered and a recommendation made to Council regarding the Scheme; and
- (2) That members consider the comments of the Scrutiny Committee - Resources Budget Working Group.

ASSISTANT CHIEF EXECUTIVE

2 February 2009

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Report of the Independent Adviser on Members' Allowances, March 2001

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EXETER CITY COUNCIL

Report of the Independent Remuneration Panel on Councillors' Allowances for 2009/10 15 December 2008

1 Introduction

- 1.1 The Independent Remuneration Panel met on 15 December 2008 to consider Exeter City Council's Members' Allowances scheme for 2009/10. The Panel comprises:

Ian McGregor (Chair) - business sector representative
Peter Lacey - business sector representative
Derek Phillips – business sector representative
Elizabeth Hubbick – voluntary sector representative

- 1.2 Bindu Arjoon (Assistant Chief Executive), Rowena Whiter (Member Services Manager) and Sharon Sissons (Member Services Officer) provided the Panel with general advice and support.

- 1.3 The Panel's deliberations related to the following main areas as required by the Local Authorities (Members' Allowances) (England) Regulations 2003:

- (i) the structure of the scheme and the level of basic allowances
- (ii) special responsibility allowances
- (iii) updating of allowances
- (iv) pensions
- (v) travel and subsistence allowances
- (vi) the Dependants' Carers' scheme
- (vii) co-optees' allowances

- 1.4 In considering last year's Members' Allowances Scheme, the Panel were mindful of Exeter City Council's ongoing submission for Unitary Status, and expressed their wish to instigate a fundamental review of Councillors' Allowances in the lead up to the establishment of the new Council. In the light of the continuing delay regarding a decision in respect of the future of local government in Devon, the Panel agreed to defer a more in-depth review, including the principles on which the scheme was originally based, in order to fairly reflect the roles and responsibilities of councillors.

2. Methodology and Framework

- 2.1 Reference was made to The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 and the Office of the Deputy Prime Minister's Guidance on Consolidated Regulations for Local Authority Allowances.
- 2.2 The Panel noted the results of the regional survey undertaken by the South West Provincial Employers which provided useful benchmarking information relating to similar types and sizes of authority. They also noted the report of the meeting of the Chairs of Independent Remuneration Panels in the region which highlighted good practice.
- 2.3 The Panel were also aware of the publication of the Government's response to the Councillors' Commission report – Representing the Future. The Commission had been tasked with looking at the incentives and barriers for attracting a wide range of

people to become local government Councillors. Over 61 recommendations had been made in the report aimed at local authorities, the government and political parties. The proposals covered a broad range of issues and the Panel were mindful of the Government's response to those recommendations relating specifically to Councillors' allowances in their deliberations on the scheme.

3. Survey

- 3.1 A further in-house survey was conducted on behalf of the Panel inviting Councillors to comment on a number of specific aspects of the allowances scheme as well as providing any general comments. This was primarily aimed at the newer Councillors. The survey was followed up with an invitation to a small number of one-to-one interviews between Panel members and a cross-section of the Council, including the Leader and some of the newer Councillors.

4. Structure of Scheme and Basic Allowances

- 4.1 The formula for calculating allowances was developed in 2001 based on the advice of an independent consultant. This was calculated on an assumed number of days work (4 per month) undertaken by Councillors on Council business, which equated to 32 hours per month. From this was deducted a proportion (one third) of the total number of days to reflect an assumed voluntary element to the work.
- 4.2 On the evidence of the survey and follow-up interviews, the Panel noted that the average number of hours estimated by Councillors to be spent each month on Council business was significantly higher than the amount of time assumed when the original formula was agreed. For many councillors, case work still appeared to be one of the most time-consuming elements of their work.
- 4.3 Concern about loss of earnings, career opportunities and impact on job security remained a strong theme, particularly amongst younger councillors. A few Councillors felt that the current scheme did not adequately compensate for these factors and that a higher basic allowance would allow "other less affluent people" to become Councillors. One Councillor also suggested that travel expenses should be included for attendance at meetings.
- 4.4 The Panel were conscious that these figures were based on estimated rather than recorded time and were also reflective of the experiences of only a small proportion of the members of the Council. However they still felt that a more fundamental review of the scheme should be undertaken once the outcome of the Local Government Review of Devon is known.
- 4.5 The Panel noted that the basic structure of the scheme had attracted no adverse comment from either the public or Councillors. The current allowances appeared to be in line with those paid by authorities of a comparable size and type. The Panel had agreed in the previous year that there was merit in the recommendation of the Councillors' Commission for the development of a national framework of guiding principles for members' allowances schemes which would specify a national minimum basic allowance for each type and size of authority. They noted that the Government's response indicated that they would not be taking forward the Commission's recommendation but that the Local Government Association (LGA) proposed to collect and share data on average allowances.

The Panel also noted that the Government proposed to introduce legislation which would enable authorities on the advice of their Independent Panels, to introduce schemes for payments on loss of office after an election.

- 4.6 Taking account of these various factors the Panel recommended that the current structure of the scheme and the level of the basic allowance should continue for the forthcoming year on the current basis pending a more fundamental review of the scheme, including the formula on which it should be based, next year. The Panel were aware of the possible need to discuss the appropriate remuneration for the members of any shadow authority in the meantime. Details of Members' Allowances for new authorities going forward in the current round for 2009 would be obtained to help inform their future review.

Recommendation 1:

That the basic structure of the current members' allowances scheme be retained for 2009/10, pending a more fundamental review, and consideration of remuneration in the event of a shadow authority, when the outcome of the current review of the local Government in Devon is known, some of which may be determined by the Government in Implementation Orders.

Recommendation 2:

That the basic allowance continue unchanged in 2009/10, updated using the index previously agreed (i.e. the annual local government staff pay award for the previous year).

.5. Special Responsibility Allowances

- 5.1 At their meeting the previous year, the Panel had agreed to keep under review the workload on Councillors emanating from the impact of the Licensing Act 2003 which had transferred responsibility for alcohol licensing from the Magistrates Court to local authorities. The Panel considered it appropriate to retain for the time being the payment of an allowance to the Chair of the Licensing Committee in view of the continuing responsibilities of that position.
- 5.3 They also wished to retain the Special Responsibility Allowance for the Independent Chair of Standards Committee in view of the extended role and responsibilities of the Committee. Since 2008, the Standards Board for England would refer all cases for determination to local Standards Committees, but so far the workload of the Standards Committee has not increased significantly. A flat rate of £25 per meeting payable to the other two independent members of the Committee would remain.
- 5.4 The Panel agreed on the need to keep under review the levels of all Special Responsibility Allowances paid by the Council to ensure that they remained reflective of the responsibilities of the positions. With regard to the current year, the Panel considered that the existing structure and level of the Special Responsibility Allowances remained appropriate at present. The Panel also endorsed the principle that any Member qualifying for more than one Special Responsibility Allowance should be paid the higher allowance only.

Recommendation 3:

That subject to updating for inflation, the Special Responsibility Allowances level remains unchanged.

Recommendation 4:

That the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only should be retained.

6. Updating of allowances

- 6.1 In 2004 the Panel had reviewed the mechanism by which the allowances were updated annually. They had proposed that the link with the mean male non-manual wage as set out in the annual New Earnings Survey was no longer appropriate for a number of reasons and the Council had agreed that this should be abandoned and a link established in future years with the annual local government staff pay award for the previous year.
- 6.2 The Panel considered whether this link, as opposed to the Retail Price Index or other factor, remained appropriate. They recognised that it reflected wages in the relevant sector as well as being transparent and easily understood. Furthermore, linking the allowances to the settlement agreed in the previous year also ensured that the additional resources would generally be known in good time for the formulation of the budget. They recommended that this link should be retained for the current year. They noted that the award applicable to the 2009/10 Councillors' Allowances Scheme was 2.45%.

Recommendation 5:

For the year 2009/10, Councillors' basic and Special Responsibility Allowances should be updated in line with the annual local government staff pay award for 2008/09 (2.45%).

7. Pensions

- 7.1 The Panel were reminded that the Local Government Act 2000 and subsequent regulations make provision for the payment of pensions to Councillors and the role of the Independent Remuneration Panel in deciding who may be eligible for membership of the Local Government Pension Scheme (LGPS). The Council can only make membership of the pension scheme available to those elected members who are recommended for membership by the Independent Remuneration Panel, but the Council can decide not to offer membership to some or all of the recommended Councillors.
- 7.2 The Panel had recommended on a number of previous occasions, that the opportunity to join the LGPS should be extended to all Councillors and that benefits should be based on both basic and special responsibility allowances. They were disappointed that the Council had not accepted their recommendations. The Panel had noted the recommendation of the Councillors' Commission that all Councillors should be entitled to access to the Local Government Pension Scheme. They noted that since local authorities already had the discretion to allow Councillors to join the LGPS, the Government had seen no reason to alter the position since it felt that such decisions shall be made at a local level.

- 7.3 Whilst fully endorsing the view expressed by a number of Councillors that remuneration should not be the primary motivational factor, once again the Panel strongly reiterated their support for creating a package of measures that might encourage people from across a broad spectrum of the community to consider standing for Council and remove potential barriers. This would ultimately further enhance the diversity and quality of Councillors. They were aware of the difficulty already experienced in attracting candidates who would maintain the high calibre of existing Councillors, which they felt the community had the right to expect. The Panel felt that a pension's facility would be of particular benefit to Councillors who, for a variety of reasons, had not had the opportunity to build up contributions in other pension schemes, including those whose potential earnings may have been restricted by their Council commitments through loss of earnings or career prospects. The decision of individual Councillors on whether to join the pension scheme was entirely voluntary. A range of views on pensions were expressed in the survey including a few Members who felt that a pension was not appropriate for the role of Councillor.
- 7.4 For these reasons, the Panel, once again, strongly recommended the Council to extend to all Councillors the opportunity to join the LGPS.

Recommendation 6:

That all Councillors be permitted to join the Local Government Pension Scheme, should they wish to do so, benefits to be based on both basic and Special Responsibility Allowances.

8. Travel, Subsistence and other Allowances

- 8.1 Section 8 of the Local Authorities (Members Allowances) (England) Regulations 2003 had formalised the provisions relating to the payment of travel and subsistence allowances to Councillors and had specified the particular purposes for which they could be claimed.
- 8.2 The Panel noted that the general principles applying to the receipt of travel, subsistence and other allowances by Councillors were the same as those for staff of the Council. Reasonable expenses incurred in respect of travel outside the City, meals and accommodation will be reimbursed subject to appropriate documentary evidence being produced.

Recommendation 7:

That the travel and subsistence allowances provisions for staff continue to apply to Exeter City Councillors, where appropriate.

9. Dependants' Carers' Allowance

- 9.1 The Panel noted that Section 7 of the Local Authorities (Members Allowances) (England) Regulations 2003 had formalised the provisions for the payment to Councillors of a Dependants' Carers' Allowance in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred and had specified the particular purposes for which this could be claimed.

- 9.2 They considered that the current Dependants' Carers' Allowance Scheme accorded with the regulations and remained a good scheme. The level of the allowance appeared to be in line with that paid by similar authorities and the Panel considered that this should continue to be linked to the minimum wage.

Recommendation 8:

That the current Dependants' Carers' Allowance scheme is maintained and that the level of allowance, currently £5.73per hour, continues to be linked to and updated in line with the minimum wage.

10. Co-opted members

- 10.1 The payment of allowances to co-optees has been formalised by Section 9 of The Local Authorities (Members Allowances) (England) Regulations 2003.
- 10.2 The Panel had recommended that a Special Responsibility Allowance be paid to the independent Chair of the Standards Committee to reflect the responsibilities of the post. They considered at present that the payment of the allowance of £25 per session should be retained for the other co-optee(s) for 2009/10.

Recommendation 9:

That the co-optees' allowance payable to the co-opted member of the Standards Committee continue at £25 per session for 2009/10.

Ian McGregor, Chair
The Independent Remuneration Panel for Exeter City Council
January 2009

EXETER CITY COUNCIL**PROPOSED MEMBERS' ALLOWANCES SCHEME 2009/10**

	08/09	*09/10	
	£	£	
Basic Allowance			
Payable to all Councillors	4430	4539	
 **Special Responsibility Allowances:-			
Leader (basic x 300%)	13,290	13,617	
Other Executive members with portfolios (basic x 150%) (x 5)	6,645	6,809	each
Other Executive members without portfolios (basic x 50%) (x 3)	2,215	2,270	each
Chairs of Scrutiny Committees (basic x 100%) (x 3)	4,430	4,539	each
Chair of Planning Committee (basic x 100%) (x 1)	4,430	4,539	
Chair of Licensing Committee (basic x 50%) (x 1)	2,215	2,270	
Independent Chair of Standards Committee (basic x 25%) (x 1)	1,108	1,135	

** incorporating proposed 2.45% increase, payable with effect from 1 April 2009*

*** any member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only*

Dependants' Carers' Allowance

An allowance in line with the minimum wage (currently £5.73 per hour) is payable to Councillors whilst on "approved duties", in accordance with the agreed scheme (see overleaf)

January 2009

Exeter City Council

Dependants' Carers' Allowance Scheme

An allowance of up to £5.73 per hour (pro rata for part of an hour) may be claimed in respect of expenses incurred by a Councillor when a carer for a dependent has been engaged to enable a councillor to carry out an approved duty.

A carer will be any responsible person who does not normally live with the councillor as part of that councillor's family.

An allowance will be payable if the dependant being cared for:

- is a child under the age of 14
- is an elderly person; or
- has a recognised physical or mental disability

who normally lives with the councillor as part of that councillor's family and should not be left unsupervised.

Qualifying duties are defined as meetings of the Council, its Committees and Sub-Committees, training events, briefings and such other duties as are specified by the relevant regulations*.

For meetings or duties within the Council's boundaries, the allowance will be paid for the duration of the meeting or otherwise approved duty plus an allowance for up to one hour's total travelling time before and after the meeting.

The actual cost of care will be reimbursed, up to a maximum of £5.73 per hour.

This allowance will be updated annually in line with the minimum wage.

**Payment of allowance will be made under the powers of Section 100 of the Local Government Act 2000 and Section 7 of Part 2 of the Local Authorities (Members Allowances) (England) Regulations 2003.*

EXETER CITY COUNCIL

EXECUTIVE
10 FEBRUARY 2009

COUNCIL
24 FEBRUARY 2009

AMENDMENT TO STANDING ORDERS – ELECTION OF COMMITTEE CHAIRS AND DEPUTY CHAIRS

1 PURPOSE OF REPORT

- 1.1 To consider a reference back to Executive from Council on 16 December 2008 in respect of Standing Order 39, relating to the election of Committee Chairs and Deputy Chairs at the Annual Meeting of Council.

2 BACKGROUND

- 2.1 Following a review by the Standing Orders Working Group, Executive recommended to Council on 14 October 2008 a number of changes to the Council's Standing Orders. Council unanimously agreed Executive's recommendations in respect of the majority of proposed amendments.
- 2.2 In relation to Standing Order 39 (Election of Leader and Chair and Deputy Chair of Committees), two options were presented to Council, as set out in the Appendix attached. Of the 37 Councillors present, twenty Councillors voted in favour of Option (ii), to change the Standing Order to allow the Chairs and Deputy Chairs of each Committee to be elected by Council itself at the Annual Meeting in future. An interpretation of the wording of Standing Order 47 (Variation and Revocation of Standing Orders by Council) at the time indicated that the vote to change Standing Order 39 was lost since the twenty votes fell short of the two-thirds majority understood to be required to change the wording. Option (i), to retain the current wording of the Standing Order whereby Chairs and Deputy Chairs are elected by each Committee at the Annual Meeting, was therefore agreed.
- 2.3 In response to a view expressed by some Councillors that the vote should have been decided on the basis of a simple majority and that the outcome did not fairly represent the wishes of the majority of Councillors present, Council on 16 December 2008 referred the issue back to Executive.
- 2.4 For reasons of practicality, in recent years it has often been the practice at the Annual Meeting of the Council for the appointment of Chairs and Deputy Chairs of Committees to be undertaken by the whole Council rather than individual Committees. The practice of holding separate meetings of Committees within the Annual Meeting tends to be disruptive and to create confusion, particularly given the large number of guests and public present.

3 PROPOSAL

- 3.1 Following the reference back from Council, Executive is requested to make a specific recommendation to Council in respect of the possible amendment of Standing Order 39, on the basis of the options set out in Appendix 1.

4 RECOMMENDED

- 4.1 That Executive makes a recommendation to Council on whether or not to change the current practice in relation to the appointment of Chairs and Deputy Chairs of Committees at the Annual Meeting of Council or alternatively that Executive makes no proposal and requests Council to resolve the issue on the basis of a straight majority.

ASSISTANT CHIEF EXECUTIVE

05.01.09

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

None

PROPOSED REVISIONS TO STANDING ORDERS

Standing Order Number & Title	Current Wording	Proposed Wording	Reason
39. ELECTION OF LEADER AND CHAIR AND DEPUTY CHAIR OF COMMITTEES	(1) The Council shall at its Annual Meeting elect the Leader of the Council. Each Committee shall elect its Chair and Deputy Chair at the Annual Meeting. In the absence from a meeting of the Chair and Deputy Chair, a Chair for that meeting will be appointed. No member of the Council shall be eligible to be appointed Chair of more than one Standing Committee.	Either: (i) retain current wording of paragraph or (ii) amend second sentence to read <i>“The Chairs and Deputy Chairs of each Committee shall be elected by Council at the Annual Meeting.”</i>	The Local Government Act 1972 does not specify how or who should decide on the chairmanship of committees. Council is invited to either (i) retain the wording of the current Standing Order which requires the chairs and deputy chairs to be elected by each Committee at the time of the Annual Meeting of Council or (ii) enable the election of the Chairs and Deputy Chairs to be undertaken by full Council at the Annual Meeting.

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By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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