



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

4                    **QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 19**

A period of up to 15 minutes will be set aside to deal with questions to the Committee from members of the public.

*Details of questions should be notified to the Assistant Chief Executive at least three working days prior to the meeting. Further information and a copy of the procedure are available from Member Services (265275) also on the Council web site: <http://www.exeter.gov.uk/scrutinyquestions>*

5                    **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER 20**

To receive questions from Members of the Council to appropriate Portfolio Holders.

6                    **ANNUAL AUDIT LETTER**

The Council's External Auditor, Grant Thornton, will present the letter to Members                    1 - 14  
– *letter circulated*

7                    **LEADER AND PORTFOLIO HOLDER TO PRESENT THEIR HALF YEARLY REPORTS**

Councillor Edwards (Leader and Portfolio Holder for Budget and Strategic Vision) and Councillor Martin (Portfolio Holder for Business Transformation and Human Resources) will present half year reports and take questions.

**PERFORMANCE MANAGEMENT**

**\*MEMBERS ARE REQUESTED TO ADVISE THE MEMBER SERVICES OFFICER OF ANY QUESTIONS OR ISSUES ON PERFORMANCE MONITORING REPORTS BY 9.00 AM ON THE DAY OF THE MEETING.**

8                    **AIM PROPERTY MAINTENANCE PROGRESS REPORT 2011/12\***

To consider the joint report of the Head of Contracts and Direct Services/Acting Head of Housing Services/Head of Treasury Services and Acting Head of Estates                    15 - 16  
– *report circulated (Monitoring Schedule available on request and on the Internet).*

9            **HALF YEAR REPORT OF PERFORMANCE MONITORING 2011/12\***  
To consider the report of the Director Corporate Services – *report circulated*            17 - 22

10          **RESOURCES SCRUTINY STEWARDSHIP TO 30 SEPTEMBER 2011\***  
To consider the report of the Head of Treasury Services – *report circulated*            23 - 26

**MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

11          **CAPITAL MONITORING STATEMENT TO 30 SEPTEMBER 2011**  
To consider the report of the Head of Treasury Services – *report circulated*            27 - 50

12          **OVERVIEW OF GENERAL FUND REVENUE BUDGET 2011/12**  
To consider the report of the Head of Treasury Services – *report circulated*            51 - 66

13          **TREASURY MANAGEMENT- 2011/12 - HALF YEAR UPDATE**  
To consider the report of the Head of Treasury Services – *report circulated*            67 - 72

**MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES**

14          **RISK MANAGEMENT**  
To consider the report of the Head of Audit - *report circulated*            73 - 78

15          **INTERNAL AUDIT WORK - 1ST HALF YEAR 2011/12**  
To consider the report of the Head of Audit - *report circulated*            79 - 84

16          **CUSTOMER SERVICE CENTRE- SATURDAY OPENING TRIAL**  
To consider the report of the Head of Corporate Customer Services – *report circulated*            85 - 86

## **DATE OF NEXT MEETING**

The next **Scrutiny Committee - Resources** will be held on 25 January 2012 at 5.30 pm

## **FUTURE BUSINESS**

The schedule of future business proposed for this Scrutiny Committee and other Committees of the Council can be viewed on the following link to the Council's website: <http://www.exeter.gov.uk/forwardplan>  
Councillors can view a hard copy of the schedule in the Members Room.

### ***Membership -***

Councillors Baldwin (Chair), Hobden (Deputy Chair), Branston, Bull, D J Henson, Mitchell, Morris, Mottram, Ruffle, Spackman, Taghdissian, Tippins and Wardle

Find out more about Exeter City Council services by looking at our web site <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) 265275 for further information.

**Individual reports on this agenda can be produced in large print on request to Member Services on 01392 265111.**



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**Exeter City Council**

Annual Audit Letter 2010/11

November 2011

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# 1 Introduction and Key Messages

## **Purpose of this Letter**

- 1.1 This Annual Audit Letter (Letter) summarises the key issues arising from the work that we have carried out at Exeter City Council (the Council) during our 2010/11 audit. The Letter is designed to communicate our key messages to the Council and external stakeholders, including members of the public. The letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk) and also on the Council's website.

## **Responsibilities of the external auditors and the Council**

- 1.2 This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).
- 1.3 We have been appointed as the Council's independent external auditor by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.
- 1.4 Our annual work programme is set in accordance with the Code of Audit Practice (the Code) issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks, when reaching our Code conclusions.
- 1.5 It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

## **What this Letter covers**

- 1.6 This Letter covers our 2010/11 Code audit, including key messages and conclusions from our work on:
- auditing the 2010/11 year end accounts (Section 2)
  - the accuracy of grant claims and returns to various government departments and other agencies (Section 2)
  - assessing the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources, the Value for Money (VFM) conclusion (Section 3).
- 1.7 A list of all the reports issued during the year is provided at Appendix A, whilst Appendix B sets out our actual and budgeted fees for 2010/11.

### **The Economy**

- 1.8 The Government remains committed to reducing the deficit whilst promoting growth and economic recovery. Over the last year, 2010/11, savings of over £1.1 billion have been achieved by working with local government. At the same time, the Government is seeking to reduce top-down government and devolve power and greater financial autonomy to local authorities.
- 1.9 Looking ahead, Government departmental spending is expected to continue to reduce over the next four years to make savings of 33% on resources by 2014-15 (compared to 2010-11 budgets). At the same time, the Government expects to transfer over £6.7bn of funding to local government.
- 1.10 Council tax in England was frozen in 2011/12, and may be frozen again for 2012/13 in partnership with local authorities.
- 1.11 This Letter has been written in the context of the significant change agenda in which the Council is operating, including the ongoing increase in demand for services and the need to generate cash releasing efficiency savings of some £2.4 million in order to achieve a year end balanced financial position for 2011/12.

### **Key areas for Council action**

- 1.12 We have set out below the key areas of focus for the Council for it to further improve arrangements during 2011/12:
- The medium term financial position remains extremely challenging as the Council seeks to maintain financial balance whilst facing significant demand pressures. The reduction in the formula grant of 13.8% has meant £2.4 million of savings are required in 2011/12 to achieve a balanced budget. Whilst the Council has a good track record of managing and achieving its budget, there is a need for continued and formal reporting in the delivery of the savings plan to members. We will continue to review the Council's financial position as part of our 2011/12 audit.
  - The Council should continue to closely monitor the completion of the Royal Albert Memorial Museum (RAMM) project to both revised budget and timescale to minimise the potential for further slippage.
- 1.13 The context for these key messages can be found in this Letter. Management has agreed to the implementation of these recommendations through the action plans included within the individual reports issued during the year, which are included at Appendix A.



## 2 Audit of Accounts

### Introduction

- 2.1 We issued an unqualified opinion on the Council's 2010/11 accounts on 22 September 2011, ahead of the statutory certification deadline. Our opinion confirmed that the accounts gave a true and fair view of Council's financial affairs at 31 March 2011 and of its income and expenditure for the year .
- 2.2 Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to those charged with governance (defined as the Final Accounts Committee at the Council). We presented our Annual Report to those Charged with Governance to the Final Accounts Committee on 22 September 2011 and summarise only the key messages in this Letter. We did not receive any questions or objections on the accounts prior to the audit being completed and the audit opinion signed.

### Audit of the accounts

- 2.3 We were presented with the draft financial statements on 29 June 2011, in advance of the 30 June 2011 deadline. The working papers were of a good standard and the financial statements had been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010-11 (the Code), based on International Financial Reporting Standards (IFRS). This represented strong performance as 2010/11 was the first year that local authorities were required to prepare accounts under International Financial Reporting Standards, requiring significant additional work.
- 2.4 As last year, finance staff provided us with a high level of support and were able to deal with our audit queries efficiently and provided timely responses to requests for additional information.
- 2.5 We identified one significant adjustment from our audit work. Whilst it did not affect the reported deficit on the provision of services, it did impact the comprehensive income and expenditure statement. The adjustment related to a difference of £557,500 between the assumed value of assets used by the actuary in the IAS 19 report to scheduled and admitted bodies which was received by the Council after the draft accounts had been prepared. Whilst discrepancies are usually identified each year once the final figures have been established after the year end accounts have been produced, the change this year was material and, as such, we agreed an amendment with officers.
- 2.6 A small number of other adjustments were processed by the Council. These had no overall impact on the Council's reported assets and liabilities.

### Financial performance

- 2.7 Given the significant financial pressures faced during 2010/11, the Council delivered its General Fund service plans for a total net cost of £16.40 million, an underspend of £0.86 million against the revised budget of £17.36 million. This was achieved through effective management of spending across Council departments, additional grant funding for concessionary fares, savings arising from the re-tendering of the leisure contract and the ability to capitalise redundancy payments.

- 2.8 Overall, the Council's General Fund balance has increased from £3.84 million to £4.19 million at the year end, equivalent to some 24.9 per cent of the net budget for 2010/11.
- 2.9 Looking forward, the Council's service committee net expenditure budget for 2011/12 was set at £12.86 million, £4.35 million less than in 2010/11. Subsequent to this, supplementary budgets have been agreed that have increased the revised annual budget to £13.0 million. Our review of the latest quarterly revenue outturn report, for the first six months to September 2011, shows that the Council is forecasting an overspend of £384,000 against the revised budget. We will continue to monitor the Council's financial standing, its performance against budgets and delivery of its savings plans throughout the year.

### **Financial systems**

- 2.10 We undertook sufficient work on key financial controls for the purpose of designing our programme of work for the financial statements audit. Our evaluation of the Council's key financial control systems did not identify any control issues that presented a material risk to the accuracy of the financial statements.
- 2.11 We reviewed the work of internal audit and concluded that the scope and conduct of internal audit work was appropriate to support our work in auditing the Council's 2010/11 accounts. We also performed a high level review of the general IT control environment as part of the overall review of the internal control system and concluded that there were no material weaknesses within the IT arrangements that would adversely impact our audit of the accounts.

### **Annual Governance Statement**

- 2.12 We examined the Council's arrangements and processes for compiling the Annual Governance Statement (AGS). In addition, we read the AGS and considered whether the statement was in accordance with our knowledge of the Council. We requested that an additional disclosure should be added in respect of the control environment operating at the Council. Following this amendment, we considered the AGS to be satisfactory in terms of content, a fair representation of the Council's operations during the year and in line with the Code.

### **International Financial Reporting Standards**

- 2.13 The Council was required to prepare its accounts for the first time in accordance with International Financial Reporting Standards (IFRS). The IFRS transition at the Council was led by a dedicated project board and a clear project plan was utilised.
- 2.14 The effective operation of the project board and associated plan resulted in a smooth transition for the Council in preparing IFRS compliant accounts and supporting working papers to the agreed timetable. The working papers were of a high standard and there were no significant issues arising from our audit work.

### **Certification of claims and returns**

- 2.15 Each year we review and certify a number of grant claims and returns in accordance with the arrangements put in place by the Audit Commission. Our certification work is expected to be complete by the end of December 2011 after which we will prepare a separate certification work report, summarising issues from the 2010/11 work, to facilitate continuous improvement.
- 2.16 Based on our work to date for 2010/11, we have identified that the Council's arrangements to prepare and submit claims are generally sound and consistent with previous years.

### **Investment in Icelandic Banks**

- 2.17 In late October 2011, Iceland's Supreme Court ruled on the status of a number of local authorities who had brought a test case to confirm their preferred creditor status, following the collapse in October 2008, of Landsbanki, Kaupthing and Glitnir banks. The ruling confirmed preferred creditor status for the individual Councils in the test case, meaning that they should receive a full pay out before any other creditor.
- 2.18 On the basis of this judgement, and subject to the court ruling applying to non-test cases, Officers believe that Exeter City Council will make a full recovery of £2 million invested with Glitnir, and a recovery of some 95% of the initial investment of £3 million with Landsbanki, plus interest.

## 3 Value for Money

### **Introduction**

- 3.1 Auditors have a continuing statutory duty under section 5(1)(e) of the Audit Commission Act 1998 (the Act) to satisfy themselves that audited bodies have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. The Commission's Code of Audit Practice (the Code) requires auditors to issue a Value For Money (VFM) conclusion, alongside the opinion on the financial statements, based on criteria specified by the Commission.
- 3.2 In response to the changing external environment and to reduce the audit burden, the Audit Commission revised the approach to local value for money work in late 2010, requiring auditors to give their statutory value for money conclusion based on two reporting criteria:
- arrangements for securing financial resilience; and
  - arrangements for securing economy, efficiency and effectiveness.
- 3.3 Our VFM work is based upon an assessment of the Council's significant VFM risks and we devised a local programme of work based upon this assessment. In addition to reviewing the overall arrangements in place for securing financial resilience and securing economy, efficiency and effectiveness in the use of resources, we undertook a short review of the Council's Project Management Arrangements.
- 3.4 We issued our VFM conclusion on 22 September 2011, at the same time as our accounts opinion, and ahead of the required deadline. We concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.
- 3.5 Prior to giving our VFM conclusion, we set out the basis of this conclusion and the results of our assessment against the use of resources framework, in our report presented to the Final Accounts Committee on 22 September 2011.

### **Review of Project Management Arrangements**

- 3.6 Following our initial risk assessment of the Council's arrangements for securing economy, efficiency and effectiveness, we identified the Council's arrangements for project management as a specific area for review.
- 3.7 We reviewed the Council's project management and post implementation review arrangements to confirm whether these are appropriate, following the overspend that occurred on the Royal Albert Memorial Museum (RAMM) project. We also considered the activities that were identified as causing delay and the overspend to the project, as well as reviewing other capital projects that the Council had undertaken in recent years to identify if there are any underlying weaknesses in project management arrangements.

- 3.8 Our work recognised that the RAMM project was one of the biggest projects in which the Council has been involved. The budget for the project was initially set at £15.1 million but continued to increase, due to a range of issues and circumstances until the end of June 2011, when the total cost was estimated to be £24.3 million. The two main factors which resulted in the increase in costs were that once construction had commenced, it was discovered that the foundations were not strong enough to support the additional development work, and there had been errors in calculating the heating, cooling and humidity requirements. These problems resulted in substantial delays and additional cost.
- 3.9 The Council is currently progressing a number of claims against the contractors to recover the additional costs incurred for both structural and mechanical failings.
- 3.10 Our review of other capital schemes has not identified any projects which have experienced significant overspends. Consequently, we consider that the issues identified in the RAMM project are project specific due to its unique nature and related complexities and are unlikely to be systemic to the overall project management arrangements at the Council.

#### **Follow up of previous reports**

- 3.11 As part of our planned programme of work for 2010/11, we followed up progress made by the Council in implementing outstanding recommendations from current and previous years' audit reports. Overall, the Council has responded positively to the issues that we have raised and has made positive progress against recommendations made in prior years.
- 3.12 Our follow up of the action taken by the Council to implement recommendations made in our 2009/10 interim report has identified only one recommendation that the Council has yet to implement, relating to reviewing user access to the e-financials applications on a regular basis. The Council has agreed to introduce a six monthly review process which we will follow up as part of our planned programme of work for 2012/13.

## 4 Closing Remarks

- 4.1 This Letter was discussed and agreed with the Chief Executive and Director of Corporate Services and presented to the Scrutiny Resources Committee on 23 November 2011.
- 4.2 We would like to take this opportunity to express our appreciation for the assistance and cooperation provided during the course of the audit.

**Grant Thornton UK LLP**  
November 2011

## A Reports Issued

<b>Report</b>	<b>Date Issued</b>
Annual Fee Letter	February 2010
Audit Plan	December 2010
Interim Audit Report and update to Financial Audit Strategy	May 2011
Annual Report to those Charged with Governance (including Value for Money)	September 2011
Annual Audit Letter	November 2011
Certification Report (Planned)	December 2011

## B Audit and Other Fees

<b>Audit Area</b>	<b>Budget 2010/11</b> <b>£</b>	<b>Actual 2010/11</b> <b>£</b>
Financial statements	85,075	85,075
VFM conclusion / Use of resources	48,755	48,755
Total Code of Practice fee	133,830	133,830
Certification of grant claims and returns	20,000	20,000
<b>Total fees</b>	<b>153,830</b>	<b>153,830</b>





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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 NOVEMBER 2011

#### AIM PROPERTY MAINTENANCE PROGRESS REPORT 2011/12

#### 1 PURPOSE OF THE REPORT

- 1.1 This is the second quarterly progress report, covering the period from July to September 2011 (but including updated figures as at 5 October 2011). The report details the financial position of the £7.8m programme of reactive and planned property maintenance and refurbishment work agreed for 2011/12. The programme comprises housing and non-housing schemes funded from revenue budgets as approved by Council for the financial year 2011/12. In some cases the programme also includes unspent budgets for schemes rolled forward from 2010/11. Progress on capital funded schemes is reported elsewhere on this agenda. The report provides specific details on significant programme variations.

#### 2 BACKGROUND

- 2.1 The Council approved the following:

	£	
<b>Housing budgets</b>		
(a) Housing Reactive Repairs	4,953,780	
(b) Housing Servicing Contracts	714,900	
(c) Housing Maintenance Works	<u>430,000</u>	£ 6,098,680
<b>Non-housing budgets</b>		
(d) Service Recharges	343,650	
(e) Lease Requirements	55,450	
(f) AIM Priority Programme	225,500	
(g) AIM Reactive Repairs - General	513,540	
(h) AIM Service Contracts	441,980	
(i) AIM Operational Essentials	<u>82,580</u>	£ 1,662,700
<b>Total</b>		<b><u>£ 7,761,380</u></b>

- 2.2 The current level of spending in 2011/12 on the budgets identified above indicates a predicted saving of some £10,000 which equates to 0.1% on the overall budget. This arises solely from non-housing work. However, Members should be aware that there is overspend on a number of individual budgets, and if the current rates of spend on a number of others is maintained there is potential for further overspends by the end of the year.

A copy of the full financial monitoring report is available on the Intranet.

## 2.3 HOUSING

### **Housing Reactive Repairs generally – combined budget £4,953,780**

This budget is split into eight separate budgets in order to better raise and monitor orders and control work and costs. As all these separate provisions are essentially for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. However, based on the present rates of spending, an overspend of some £100,000 is likely to arise against the budget identified for Empty Properties within this wider Housing Reactive Repairs budget. This overspend will be negated by reducing by a similar amount, the sum made available as a contribution to housing capital programmes from revenue funds in 2011/12.

## 3 RECOMMENDED

- (1) that the second quarter financial position of the £7.8m programme of reactive and planned property maintenance and refurbishment for 2011/12 as detailed above be noted.

HEAD OF CONTRACTS AND DIRECT SERVICES  
ACTING HEAD OF HOUSING  
ACTING HEAD OF ESTATES  
HEAD OF TREASURY SERVICES

COMMUNITY & ENVIRONMENT DIRECTORATE

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

None

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 NOVEMBER 2011

#### HALF YEAR RESULTS OF PERFORMANCE MONITORING 2011/12

#### 1. PURPOSE OF REPORT

- 1.1. To report the half year figures for those statutory and local performance indicators that relate to services provided by the Corporate Services Directorate and certain Council-wide indicators.

#### 2. BACKGROUND

- 2.1. Performance indicators are used to measure progress against the Council's strategic objectives. Regular monitoring ensures that the Council is on track to meet its targets. It also assures that remedial action is taken where necessary.
- 2.2. Local indicators are chosen by the Council to reflect specific priorities and to provide useful management information. National Indicators are prescribed by the Government. In October 2007, the Government published a set of 198 National Indicators which replaced all previous indicators. The majority of these apply to single tier/county councils. Currently the future of the National Indicator Set is uncertain, with many likely to be deleted.
- 2.3. Members play an important role in reviewing performance and ensuring data quality. The attached tables contain figures for those national and local indicators that relate to services supplied by the Corporate Services Directorate except where they relate to Council-wide indicators. Commentary is provided on the results to give context and to explain any variance from targets and any remedial action taken.

#### 3. PERFORMANCE OVERVIEW

- 3.1 Of the 18 indicators collected by the Corporate Services Directorate, 4 are below their half year target, 5 are on target and 9 are above target. Six of these indicators have performed worse in the half year 2011/12 compared with the half year 2010/11. Ten indicators have improved and 2 indicators could not be compared with 2010/11.

#### 4. RECOMMENDATION

- 4.1. That Scrutiny Resources Committee consider the report and identify where further information is needed on any indicators.

DIRECTOR CORPORATE SERVICES

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

Background papers used in compiling the report:

None







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## Performance Summary Half Year 2011/12

### How to interpret the performance report



Performance is shown as a comparison to the half year target. A tolerance is set for each indicator, allowing performance to be shown as on target even if it is below target by 10 percent.

The following symbols are used.

-  The green star shows that performance is better than target
-  The blue circle shows that performance is on target, within the tolerance
-  The red triangle warns that performance is below target by more than 10%
-  The green tick indicates that the half year figure for 2011/12 is better than the half year figure for 2010/11
-  The black arrow indicates that there is no change between the half year figure for 2010/11 and 2011/12
-  The red cross indicates that the half year figure for 2011/12 is worse than the half year figure for 2010/11

Performance Summary							n/a
Corporate Services	9	5	4	10	0	6	2*

\*Q2 includes two PIs which cannot be compared against 2010/11 half year figure

Performance Indicator	Service	Year End 10/11	Actual Q1 11/12	Actual Q2 11/12	Half Year 11/12	Target Half Year 11/12	Performance Half Year 11/12	Compared to Half Year 10/11	Target Year End 11/12	Commentary
BV010 % National Non Domestic Rates collected	Treasury	98.54	34.59	61.63	61.63	61.95			99	

Actual recorded figure for Quarter Two

Cumulative figure for the year to date

Symbol to show if indicator is on target

Symbol to show if indicator is above or below 10/11 half year figure

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SO4: Maximise the potential of all our citizens by tackling social disadvantage and deprivation										
Performance Indicator	Service	Year End 10/11	Actual Q1 11/12	Actual Q2 11/12	Half Year 11/12	Target Half Year 11/12	Performance Half Year 11/12	Compared to Half Year 10/11	Target Year End 11/12	Commentary
BV011a Percentage of top 5% earners who are women	Human Resources	26	24.49	24.49	24.49	29	▲	✘	29	Overall average employment numbers have reduced, with little turnover.
BV011b Percentage of top 5% Earners from black or minority ethnic background	Human Resources	6	6.12	6.12	6.12	4	★	✔	4	
BV011c Percentage of top 5% Earners with a disability	Human Resources	2	2.04	2.04	2.04	2	★	✔	2	
BV016a % Employees with a disability	Human Resources	2.66	2.57	2.3	2.3	5	▲	n/a	5	As is the case for all PI's relating to staff numbers there has been a small decline in total establishment which has affected the overall proportion. Working with Living Options and Mindful Employers has supported our commitment to securing employment for people with disability.
BV017a % Employees from ethnic minorities	Human Resources	1.83	1.8	1.81	1.81	2	●	n/a	2	
SO7: Use resources effectively & provide high performing, value for money services that focus on customers										
Performance Indicator	Service	Year End 10/11	Actual Q1 11/12	Actual Q2 11/12	Half Year 11/12	Target Half Year 11/12	Performance Half Year 11/12	Compared to Half Year 10/11	Target Year End 11/12	Commentary
NH181 Time taken to process new claims & change of circumstance for housing & council tax benefit	Treasury	8.85	8.33	8.79	8.59	10.5	★	✔	10.5	
BV008 % Invoices paid within 30 days	Treasury	94.36	96.97	96.62	96.8	97	●	✔	97	
BV009 % Council Tax collected	Treasury	97.5	29.63	56.65	56.65	56.93	●	✘	97.7	
BV010 % National Non Domestic Rates collected	Treasury	98.54	34.59	61.63	61.63	61.95	●	✔	99	
BV076d No. of housing benefit prosecutions & sanctions, per yr, per 1000	Treasury	6.79	2.02	1.58	3.6	3	★	✘	9	
BV079bi % Housing Benefit Recovered: Overpayment	Treasury	89.98	102.9	85.73	85.73	85	★	✘	85	

SO7: Use resources effectively & provide high performing, value for money services that focus on customers										
Performance Indicator	Service	Year End 10/11	Actual Q1 11/12	Actual Q2 11/12	Half Year 11/12	Target Half Year 11/12	Performance Half Year 11/12	Compared to Half Year 10/11	Target Year End 11/12	Commentary
BV012 Days / shifts lost to sickness	Human Resources	8.63	1.75	1.48	3.23	4.5	★	✓	9	
BV015 % Employees retiring on grounds of ill health	Human Resources	0.14	0.14	0.15	0.15	0.2	★	✗	0.2	
LPI IT2 % Helpdesk calls responded to within agreed timescale	IT	95.99	96.56	81.55	89.43	100	▲	✗	100	Impact of reduced staffing numbers from 26/8/11 and of annual leave.
LPI IT3 Percentage availability of ICT service	IT	99.79	99.96	99.93	99.94	99.9	★	✓	99.9	
SO8: Promote an extremely positive image & reputation & ensure high levels of customer satisfaction										
Performance Indicator	Service	Year End 10/11	Actual Q1 11/12	Actual Q2 11/12	Half Year 11/12	Target Half Year 11/12	Performance Half Year 11/12	Compared to Half Year 10/11	Target Year End 11/12	Commentary
LPI CC2 % Customers who were seen within 10 minutes	Corporate Customer Services	54.84	63.57	65.57	64.49	85	▲	✓	85	An increase on the percentage seen within the timescale from last quarter, but didn't reach target.
LPI CC3 % External phone calls answered in 6 rings	Corporate Customer Services	90.6	93.25	93.7	93.44	90	★	✓	90	
LPI CC6 % Customers who received prompt service and did not have to wait long	Corporate Customer Services	83	77	80	80	80	●	✓	80	

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 NOVEMBER 2011

#### RESOURCES SCRUTINY STEWARDSHIP TO 30 SEPTEMBER 2011

#### 1. PURPOSE OF REPORT

This report advises members of any major differences by management unit to the revised budget.

#### 2. STEWARDSHIP TO 30 SEPTEMBER 2011

- 2.1 The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £127,340. This is an improvement from that forecast in the last report to this Committee for the first quarter ending June 2011 where an overspend of £418,010 was forecast; the main reason being the improvement in Housing Benefit subsidy referred to in 86A1 below. Supplementary budgets of £12,000 are included.
- 2.2 The budgets for 2011/12 include a provision for a pay award of £250 each to staff under spinal point 24. The current position is that the Local Government Employers have not offered a pay award in the current year which will produce an overall pay saving of about £24,000 for this Committee.
- 2.3 The main variations by management unit are detailed below:

		£
<b>2011/2012 REVISED BUDGET</b>		15,646,190
<b>86A1</b>	<b>REVENUE COLLECTION / BENEFITS</b>	171,160
	As a result of the reduction in subsidy received in 2010/11 mainly in respect of Non HRA Rent Allowances, it was estimated at the end of the first quarter that there would be a similar reduction in subsidy for 2011/12 resulting in an additional cost of some £388k. Since then, Housing Services have cut back on the use of bed and breakfast accommodation and increased the use of private sector leasing. This has increased the Housing Benefit subsidy rate for 2011/12, resulting in a reduction in the overspend to £171,160 which is a variance of 0.38% on the original budget of £44.7m.	
<b>86A2</b>	<b>ELECTIONS &amp; ELECTORAL REGISTRATION</b>	15,700
	The cost of administering the City Council elections in May increased because of a new requirement to provide increased staffing levels and training.	
<b>86A4</b>	<b>CIVIC CEREMONIALS</b>	32,810
	The retail unit attached to Guildhall has been vacant for most of this year with a subsequent loss of rental income. Fees from civil ceremonies and weddings are not expected to materialise until next year.	

<b>86A5</b>	<b>DEMOCRATIC REPRESENTATION</b> There will be a small overspend on Members' Expenses by the end of the financial year due to the take-up of allowances and pensions.	990
<b>86A7</b>	<b>UNAPPORTIONABLE OVERHEADS</b> The actual inflation increase in payments to the pension fund administered by Devon County Council to meet the approved cost of early retirements and redundancies was less than provided for when setting the budget.	(2,880)
<b>86A8</b>	<b>CHIEF EXECUTIVE SERVICES</b> Additional pay costs have been incurred to cover for maternity and sickness absences.	19,850
<b>86B1</b>	<b>TREASURY SERVICES</b> An agreed reduction in working hours for some staff and vacancies within the service are expected to result in pay savings.	(16,980)
<b>86B2</b>	<b>INTERNAL AUDIT</b> The sale of CIPFA matrices written by audit staff are not expected to be as high as a consequence of other local authorities reducing their discretionary expenditure.	6,420
<b>86B3</b>	<b>HUMAN RESOURCES</b> An additional temporary staffing resource within Human Resources was approved by Executive.	17,930
<b>86B4</b>	<b>LEGAL SERVICES</b> There is expected to be a small underspend in pay and operational costs.	(13,470)
<b>86B5</b>	<b>CORPORATE CUSTOMER SERVICES</b> Vacancies and savings have been made throughout the management unit that will result in an underspend on pay. Reviews of servicing and cleaning and repair and maintenance contracts are expected to produce further savings.	(117,710)
<b>86B6</b>	<b>IT SERVICES</b> There is expected to be an overspend on pay costs to provide cover for maternity leave.	13,520
<b>2011/12 EXPECTED FINAL OUTTURN</b>		<hr/> <b>£15,773,530</b>

### 3. RECOMMENDATION

3.1 That the Scrutiny Committee – Resources note this report.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

**SCRUTINY COMMITTEE - RESOURCES  
STEWARDSHIP**

**APRIL 2011 TO SEPTEMBER 2011**

<b>ANNUAL BUDGET</b>	<b>£</b>	<b>SUPPLEMENTARY BUDGET</b>	<b>£</b>	<b>NOTIONAL CHARGES***</b>	<b>REVISED BUDGET</b>	<b>CODE</b>	<b>CURRENT OUTTURN FORECAST</b>	<b>£</b>	<b>FORECAST VARIANCE</b>
1,855,670					1,855,670	86A1	REVENUE COLLECTION / BENEFITS	2,026,830	171,160
313,900			3,380		310,520	86A2	ELECTIONS & ELECTORAL REGISTRATION	326,220	15,700
897,020					897,020	86A3	CORPORATE	897,020	0
243,210			34,280		208,930	86A4	CIVIC CEREMONIALS	241,740	32,810
881,420			310		881,110	86A5	DEMOCRATIC REPRESENTATION	882,100	990
1,001,900		3,000			1,004,900	86A6	GRANTS/CENTRAL SUPPORT/CONSULTATION	1,004,900	0
354,830					354,830	86A7	UNAPPORTIONABLE OVERHEADS	351,950	(2,880)
1,158,600			29,190		1,129,410	86A8	CHIEF EXECUTIVE SERVICES	1,149,260	19,850
0			1,110		(1,110)	86A9	STRATEGIC/COMMUNITY PARTNERSHIPS	(1,110)	0
3,212,710			173,580		3,039,130	86B1	TREASURY SERVICES	3,022,150	(16,980)
198,100			2,930		195,170	86B2	INTERNAL AUDIT	201,590	6,420
940,980			27,710		913,270	86B3	HUMAN RESOURCES	931,200	17,930
637,820			8,750		629,070	86B4	LEGAL SERVICES	615,600	(13,470)
2,554,100		9,000	178,860		2,384,240	86B5	CORPORATE CUSTOMER SERVICES	2,266,530	(117,710)
2,151,230			453,820		1,697,410	86B6	IT SERVICES	1,710,930	13,520
148,270			1,650		146,620	86B7	DIRECTOR CORPORATE SERVICES OFFICE	146,620	0
<u>16,549,760</u>		<u>12,000</u>	<u>915,570</u>		<u>15,646,190</u>		NET EXPENDITURE BEFORE INTERNAL RECHARGES	<u>15,773,530</u>	<u>127,340</u>
(11,001,810)					(11,001,810)		LESS INTERNAL RECHARGES	(11,001,810)	0
<u>£ 5,547,950</u>		<u>£ 12,000</u>	<u>£ 915,570</u>		<u>£ 4,644,380</u>		NET EXPENDITURE	<u>4,771,720</u>	<u>127,340</u>

\*\*\* Includes:

Capital Charges  
FRS17 Pension Costs

**Transfers to/from Earmarked Reserves**

**OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES 4,771,720**

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 23 NOVEMBER 2011

EXECUTIVE  
6 DECEMBER 2011

COUNCIL  
13 DECEMBER 2011

#### CAPITAL MONITORING STATEMENT TO SEPTEMBER 2011

#### **1.0 PURPOSE OF THE REPORT**

- 1.1 In accordance with the Prudential Code for Capital Finance in Local Authorities, it is necessary to monitor performance against the prudential indicator for capital expenditure and highlight significant deviations from expectations. This report therefore sets out the current position in respect of the Council's annual capital programme and advises Members of the anticipated variations.
- 1.2 The report seeks Member approval to amend the annual capital programme, in order to reflect the reported variations.

#### **2.0 BACKGROUND**

- 2.1 Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.
- 2.2 Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.
- 2.3 In order to manage the risks associated with capital programming the annual capital programme is updated every six months, to reflect any cost variations, slippage or acceleration of projects.
- 2.4 It is considered timely for the capital programme to be amended mid-year to reflect the variations to individual projects, so that the impact of changes between financial years can be incorporated into the capital programme for 2012/13 and beyond and presented to Members as part of the annual budget process.

#### **3.0 REVISIONS TO THE CAPITAL PROGRAMME**

- 3.1 The 2011/12 Capital Programme, including commitments brought forward from 2010/11, was last reported to Scrutiny Committee - Resources on 21 September 2011. Since that meeting the following changes have been made that have increased the programme:

<b>Description</b>	<b>£</b>	<b>Approval/funding</b>
Capital Programme, as at 21 September 2011	22,831,860	
137 Cowick Street	22,070	External funding contribution
137 Cowick Street	108,640	Section 106 monies
National Cycle Network	10,000	Contribution from DCC
Energy Conservation	20,900	External Funding Contributions
Social Housing Grants	141,260	Section 106 monies
Social Housing Grants	18,000	External Funding Contribution
RAMM HLF Parks Bid	15,000	Grant from DCC
<b>Revised Capital Programme</b>	<b>23,167,730</b>	

#### **4.0 PERFORMANCE**

##### **4.1 Projected Outturn**

The capital programme for the current financial year is £23,167,730. It is projected that £7.3 million of the programme will need to be carried forward into future years. For details, please refer to Appendix 1 and to the explanations below.

4.2 Based upon the forecasts after six months Appendix 2 sets out the desired changes to the capital programme for Executive to consider for approval.

##### **4.3 Progress**

During the first six months of the current financial year the Council spent £5,515,868 of the 2011/12 Capital Programme.

4.4 This equates to 23.8% of the revised Capital Programme being spent in the first six months of 2011/12, compared to £6.964 million (22.8%) being spent in the first six months of 2010/11.

#### **5.0 VARIANCES AND ACHIEVEMENTS**

5.1 The main variances and achievements are as follows:

##### **5.1.1 Community & Environment**

###### ***Cultural City***

- **Play Area Refurbishments (Budget £157,390)**

An extensive refurbishment of Harrington Lane Play Area was completed in early summer 2011, this included the installation of some exciting new play equipment and added to the Multi Use Games Area (MUGA) style goal ends which had been installed on the adjacent tarmac area earlier in the year. This scheme was funded via the Section 106 Agreement Contribution from the Chancel Lane Development.



Money from the Chancel Lane development will also fund floodlights for the existing MUGA at Pinhoe Station Road. Extensive community consultation on this scheme has been completed and planning permission now obtained. Materials and parts have been purchased and ECC's in-house electrical team will be installing in the next few weeks.

A refurbishment of Dickens Drive Play Area has been planned following community consultation, new play equipment has been ordered and this project is scheduled to be completed in December 2011.

Public consultation has now commenced at Sylvan Heights (Crossmead) and The Rydons (RNSD site) where large new play facility schemes are planned - the public open space at either site is yet to be adopted.

- **Allotments – Toilet Replacement (Budget £40,000)**

Due to the onset of winter it is likely that only three of the five planned toilet replacements will be installed this financial year.

#### ***Cared for Environment***

- **Local Authority Carbon Management Programme (Budget £129,130)**

Heating controls have been fitted at the Corn Exchange and solar panels have been ordered for Belle Isle and are due to be installed. It is proposed that £42,130 of the budget be carried forward to 2012/13.

- **Green Waste Shredders (Budget £36,000)**

This project is now complete.

#### ***Everyone Has A Home***

- **Social Housing Grants**

The Social Housing Grants budget at the last quarter was £4,815,090, of which just over £2.1 million was committed to schemes leaving a residue of £2.7 million. Since the last committee report a decision was taken in consultation with the portfolio holder to allocate this £2.7 million across a range of schemes and opportunities. The budgets for these new schemes are shown as individual projects within Appendix 1. It is anticipated that the majority will commence in the next financial year.

As the Homes and Communities Agency (HCA) was unable to allocate any monies to new schemes during 2010/11, the Council was unable to fund any new joint schemes with housing associations. Once negotiations between the HCA and the Registered Providers (RP's) (Housing Associations) on the 2011-2015 Programme are complete (circa 30 November 2011), the Council will begin negotiations with RP's to fund other potential schemes.

In 2010/11, with RPs the budget enabled the provision of 20 homes for social rent and an extension creating a 4-bedroomed home. Similarly, during 2011/12, so far 39 social rented homes have been completed including five 4-bedroomed homes. The former Whipton Methodist Church site has also been purchased. Whilst this has planning consent for 11 affordable homes, a further £300k has been allocated to buy more land for social rented housing. Further grant commitments enable Sovereign Housing Association to commence construction shortly of 34 social rented homes.

### ***Safe City***

- **Replace Digital Recording Equipment at Control Centre (Budget £16,000)**

The digital recorders were bought in 2010/11 and were paid for by a grant from the Crime and Disorder Reduction Partnership. This was treated as revenue expenditure.

## **5.1.2 Economy & Development**

### ***Accessible City***

- **Well Oak Footpath/Cycleway (Budget £80,000)**

Construction is expected to start in the spring with completion towards the end of 2012, therefore it is proposed that the budget be carried forward to next financial year.

- **King William Street Car Park Refurbishment Stage 1 (Budget £218,300)**

The King William Street Car Park Refurbishment has been split into two stages for 2011/12. The remainder of the Stage 1 Refurbishment will now be completed in 2012/13 with slippage of £195,000 to be used for London Inn Square (Paris Street, New North Road and Sidwell Street Improvements).

- **King William Street Car Park Refurbishment Stage 2 (Budget £900,000)**

The second stage of this scheme is at the pre-qualification questionnaire stage. Tenders were sent out in October to be returned by mid November. A contractor will be appointed mid December or early January, with work due to start on site in April 2012. It is therefore anticipated that there will be slippage of £875,000 to 2012/13, with £25,000 to be spent on fees in 2011/12.

The programme for this project has been elongated so that completion coincides with the opening of the new John Lewis store. This stage of the project is due for completion by October 2012.

### ***Cultural City***

- **Corn Exchange – Haystack Lantern (Budget £17,240)**

The work on this project is now complete.

### ***Cared For Environment***

- **City Centre Enhancements (Budget £407,220)**

It is forecast that £140,000 will be spent in 2011/12 on Gandy Street, Northernhay Gate and Rougemont Garden Gate. The works planned for Northernhay Gate commenced in September, however it is anticipated there will be delays due to the RAMM reinstatement works. The extent of these delays are currently being assessed. The remainder of the budget (£267,220) will be carried forward to 2012/13 to be spent on London Inn Square (Paris Street, New North Road and Sidwell Street).

### ***Prosperous City***

- **Canal Basin and Quayside (Budget £648,990)**

The refurbishment scheme for the Old Electricity Building is substantially completed and a new lease is to be granted shortly. Sutton Harbour schemes have not come forward and both ECC and ECQT are considering alternative delivery possibilities. Devon County Council have confirmed their intention to deliver the new Outdoor Education Centre and work is well advanced to facilitate a start on site early in 2012. Tree planting and seating improvements will be carried out along Haven Banks during the year.

#### **5.1.4 Housing Revenue Account**

##### ***Everyone Has a Home***

- **Kitchen and Bathroom Replacement Programme (Budget £1,500,000 and £446,690 respectively)**

The kitchen and bathroom replacements have been delayed due to the temporary contractor declining to continue with the work. The tender has been sent out and it is planned for the new contract to be in place by December 2011. Due to these delays, it is proposed to carry forward £1 million for the Kitchen Replacement Programme and £270,000 for the Bathroom Replacement Programme to 2012/13.

#### **6.0 RECOMMENDED**

6.1 It is recommended that the current position in respect of the annual capital programme be noted.

6.2 It is recommended that Executive approves the amendments to the Council's annual capital programme outlined in Appendix 2.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

**Background papers used in compiling this report:**

1. None

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APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ()
	£	£	£	£	£
<b>COMMUNITY &amp; ENVIRONMENT</b>					
<b>CULTURAL CITY</b>					
	PM	3,740	70	3,740	0
Playing Fields General Improvements	PM	14,960	66	14,960	0
Bromhams Farm Changing Rooms	AC	157,390	30,028	89,390	68,000
Play Area Refurbishments	AC	179,880	5,238	49,790	130,090
Sports Facilities Refurbishment	PM	210,000	66,967	210,000	0
Parks Improvements	PM	191,800	33,379	191,800	0
Contribution to RAMM Re HLF Parks Bid	AC	59,680	59,626	59,680	0
Leisure Management Contract	AC	20,780	0	20,780	0
Exwick Community Centre	AC	1,655,610	1,200,663	1,655,610	0
RAMM Redevelopment	AC	40,740	0	40,740	0
RAMM Off Site Store	PM	20,000	17,625	20,000	0
Cowick Barton Changing Rooms - External Paving	PM	8,000	190	8,000	0
Cowick Barton Changing Rooms - External Walls etc	PM	60,000	0	60,000	0
Neighbourhood Parks & Local Open Spaces	PM	40,000	0	22,500	17,500
Allotments - Toilet Replacement	MC	47,000	0	47,000	0
St Katherine's Priory Re-Roofing					
<b>CARED FOR ENVIRONMENT</b>					
Home Recycling Scheme	RN	60,000	0	60,000	0
Public Toilet Refurbishment	PM	990	0	990	0
Local Authority Carbon Management Programme	PM	129,130	21,358	87,000	42,130
Improvements to Cemetery Roads & Pathways	PM	16,090	16,085	16,090	0
Cemeteries & Churches Storage Improvements	PM	31,970	475	6,970	25,000
Midi Recycling Banks	RN	10,000	0	10,000	0
Upgrade of Turf Sewage Treatment Plant	AC	9,650	5,471	9,650	0
General Open Space Improvements	PM	8,330	592	8,330	0
Green Waste Shredders	PM	36,000	36,327	36,327	327
<b>EXCELLENCE IN PUBLIC SERVICES</b>					

**2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011**

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ( )
		£	£	£	£	£
Vehicle Replacement Programme	PM	418,110	353,299	418,110		0
Replacement of Homecall Equipment	RN	930	0	930		0
New Technology for Cleansing	RN	108,040	40,901	108,040		0
Belle Isle Depot - Secure Equipment Storage	PM	125,000	57,253	125,000		0
<b>HEALTHY &amp; ACTIVE PEOPLE</b>						
Disabled Facility Grants	RN	321,330	188,994	321,330		0
<b>EVERYONE HAS A HOME</b>						
Warm Up Exeter/PLEA Scheme	RN	265,540	0	265,540		0
Renovation Grants	RN	131,780	1,260	131,780		0
Wessex Loan Scheme	RN	737,120	121,069	737,120		0
Glencoe Capital Works	LB/RM	20,000	9,297	15,000	5,000	0
St Loyes Design Fees	LB/RM	120,290	102,989	120,290		0
Private Sector Renewal Scheme	LB/RM	793,830	74,298	300,000	493,830	0
Social Housing Grants	LB/RM	1,297,910	43,800	320,190	977,720	0
Rennes House	LB/RM	360	360	360		0
Whipton Methodist Church	LB/RM	176,750	176,750	176,750		0
Bennett Square	LB/RM	1,840	1,840	1,840		0
St Paul's Church PC	LB/RM	100,000	0	100,000		0
Exwick & Foxhayes School SOS	LB/RM	300,000	0	0	300,000	0
Steps Acquisitions	LB/RM	50,000	0	0	50,000	0
Laings	LB/RM	50,000	0	25,000	25,000	0
11-13 Stepcoote Hill	LB/RM	60,000	0	0	60,000	0
22 St Davids Hill Conversion	LB/RM	100,000	0	50,000	50,000	0
Hennis Project St Sidwells	LB/RM	32,340	0	8,080	24,260	0

APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ()
		£	£	£	£	£
Other Temp Accom Improvement	LB/RM	50,000	0	25,000	25,000	0
Temporary Accom Purchase	LB/RM	420,000	0	420,000		0
Conversion 23 Longbrook Terrace	LB/RM	25,000	0	0	25,000	0
Wheelchair Homes in RNSD Depot	LB/RM	250,000	0	100,000	150,000	0
Sprinklers	LB/RM	141,000	0	51,750	89,250	0
Coronation Road / Wonford Street	LB/RM	50,000	0	0	50,000	0
Infill Sites	LB/RM	350,000	0	0	350,000	0
Sovereign Infill - Shakespeare Road	LB/RM	375,000	0	187,500	187,500	0
Sovereign Infill - Leypark Road	LB/RM	135,000	0	67,500	67,500	0
Sovereign Infill - Residue	LB/RM	255,000	0	0	255,000	0
COB Phase 3 Fees	LB/RM	135,300	0	35,300	100,000	0
COB Phase 3 - St Andrews Road	LB/RM	62,500	12,853	62,500		0
COB - Land Purchase	LB/RM	300,000	0	0	300,000	0
<b>SAFE CITY</b>						
Replace Digital Recording Equipment at Control Centre	RN	16,000	0	0		(16,000)
<b>COMMUNITY &amp; ENVIRONMENT TOTAL</b>		<b>10,787,710</b>	<b>2,679,122</b>	<b>6,904,257</b>	<b>3,867,780</b>	<b>(15,673)</b>

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ( )
		£	£	£	£	£
<b>ECONOMY &amp; DEVELOPMENT</b>						
<b>ACCESSIBLE CITY</b>						
National Cycle Network	DH	31,360	11,817	31,360	0	0
Signage / Pedestrian Interpretation	RS	31,600	0	31,600	0	0
Well Oak Footpath/Cycleway	RS	80,000	0	0	80,000	0
King William Street Car Park Refurb Stage 1	RC	218,300	23,085	23,300	195,000	0
King William Street Car Park Refurb Stage 2	RC	900,000	0	25,000	875,000	0
<b>CULTURAL CITY</b>						
18 North Street Panelling	RS	2,720	750	2,720	0	0
Corn Exchange Enhancements	MC	7,550	0	7,550	0	0
Corn Exchange - Haystack Lantern	PM	17,240	20,865	20,865	0	3,625
Floodlighting	RS	1,120	0	1,120	0	0
<b>CARED FOR ENVIRONMENT</b>						
City Centre Enhancements	KH	407,220	85,976	140,000	267,220	0
Mincinglake/Northbrook Study	DH	63,730	2,382	63,730	0	0
Ibstock Environmental Improvements	MC	3,240	0	3,240	0	0
Planting Improvements in Riverside Valley Park	RS	14,250	0	14,250	0	0
Cowick Street Environmental Works		100,000	50	100,000	0	0
<b>EXCELLENCE IN PUBLIC SERVICES</b>						
Verney House	MC	45,000	0	45,000	0	0
<b>LEARNING CITY</b>						
Improvements to Quay House Visitor Centre	RB	2,010	422	2,010	0	0



APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ()
		£	£	£	£	£
<b>PROSPEROUS CITY</b>						
Basin/Quayside Redevelopment	MC	648,990	14,482	648,990	0	0
Science Park	RB	761,730	0	761,730	0	0
137 Cowick Street	MC	130,710	460	130,710	0	0
<b>SAFE CITY</b>						
Security Measures for Riverside Valley Park	DH	2,570	45	2,570	0	0
<b>ECONOMY &amp; DEVELOPMENT TOTAL</b>		<b>3,469,340</b>	<b>160,334</b>	<b>2,055,745</b>	<b>1,417,220</b>	<b>3,625</b>

APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ( )
		£	£	£	£	£
<b>CORPORATE SERVICES</b>						
<b>ACCESSIBLE CITY</b>						
Equal Opportunities Improvements	PM	9,230	6,702	9,230	0	0
<b>ELECTRONIC CITY</b>						
Electronic Document Management	PE	8,330	0	8,330	0	0
Server and Storage Strategy	PE	40,000	10,088	40,000	0	0
FIMS Replacement	AS	5,130	5,130	5,130	0	0
Environmental Health System Upgrade	RN	4,590	0	4,590	0	0
Security Compliance for GCSx & PCI DSS	PE	48,000	0	48,000	0	0
Authentication Module	PE	31,000	0	31,000	0	0
IT Development Time	PE	37,500	27,306	37,500	0	0
PC & Mobile Devices Replacement Programme	PE	104,100	63	104,100	0	0
Corporate Network Infrastructure	PE	30,000	6,000	30,000	0	0
GIS Strategy	PE	60,000	0	60,000	0	0
Intranet & Internet	PE	3,000	2,070	3,000	0	0
Benefits & Council Tax On-Line	PE	0	(5,800)	(5,800)		(5,800)
<b>EXCELLENCE IN PUBLIC SERVICES</b>						
Franking Machine	JS	17,000	16,020	16,020		(980)
Capitalised Staff Costs	AS	261,000	0	261,000		0
<b>CORPORATE SERVICES TOTAL</b>		<b>658,880</b>	<b>67,578</b>	<b>652,100</b>	<b>0</b>	<b>(6,780)</b>

APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ( )
		£	£	£	£	£
<b>HRA CAPITAL</b>						
<b>EVERYONE HAS A HOME</b>						
Sheltered Accommodation	LB	143,540	142,379	143,540	0	0
Adaptations	LB	450,000	209,060	450,000	0	0
D/PS Bristol Steel Properties	LB	10,750	10,754	10,754	0	4
Rendering of Council Dwellings	LB	260,000	191,183	260,000	0	0
MRA Fees	LB	364,270	0	364,270	0	0
Communal Door Entry System	LB	10,000	2,300	10,000	0	0
Environmental Improvements - General	LB	50,000	39,057	50,000	0	0
Programmed Re-roofing	LB	300,000	170,195	300,000	0	0
Energy Conservation	LB	125,440	13,531	25,000	100,440	0
Asbestos Survey	LB	100,000	39,221	100,000	0	0
Council House Extensions	LB	35,700	25,739	35,700	0	0
Plastic Windows & Doors	LB	20,000	0	20,000	0	0
Kitchen Replacements	LB	1,500,000	305,477	500,000	1,000,000	0
Asbestos Removal Works	LB	250,000	75,473	250,000	0	0
Bathroom Replacements - Programmed	LB	446,690	41,898	176,690	270,000	0
Other Works	LB	259,250	58,242	259,250	0	0
Repointing	LB	50,000	16,812	50,000	0	0
Fire Prevention Work	LB	402,420	4,462	402,420	0	0
Communal Areas	LB	200,000	0	200,000	0	0

APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ()
		£	£	£	£	£
Structural Repairs	LB	50,000	0	50,000		0
Fire Alarms at Sheltered Accommodation	LB	100,000	13,450	100,000		0
Replacement Concrete Canopies	LB	250,000	0	250,000		0
Rennes House Heating Replacement	LB	200,000	7,470	200,000		0
Programmed Electrical Re-wiring	LB	670,050	151,699	530,050	140,000	0
Central Heating Programme	LB	1,340,450	565,965	840,450	500,000	0
<b>HOUSING REVENUE ACCOUNT TOTAL</b>		<b>7,588,560</b>	<b>2,084,367</b>	<b>5,578,124</b>	<b>2,010,440</b>	<b>4</b>

APPENDIX 1

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

Lead Officer	2011/12 Capital Programme	2011/12 Spend to 30 Sept	2011/12 Forecast Spend	2011/12 Budget to be Carried Forward to Future Years	2011/12 Programme Variances Under ()
		£	£	£	£
<b>COUNCIL HOUSEBUILDING PROGRAMME</b>					
	<b>COUNCIL'S OWN BUILD</b>				
	Merlin Crescent	663,240	524,468	663,240	0
	<b>COUNCIL HOUSEBUILDING TOTAL</b>	<b>663,240</b>	<b>524,468</b>	<b>663,240</b>	<b>0</b>
<b>CAPITAL AND PROJECT EXPENDITURE TOTAL</b>		<b>23,167,730</b>	<b>15,853,466</b>	<b>7,295,440</b>	<b>(18,824)</b>

Head of Leisure and Museums	AC
Head of Treasury Services	AS
Engineering and Construction Manager	DH
Head of Corporate Customer Services	JS
Director of Economy and Development	KH
Acting Head of Housing	LB
Acting Head of Estates Services	MC
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
Strategic Housing Manager	RM
Head of Environmental Health Services	RN
Head of Planning Services	RS

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2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
			£	£	£	£	£
<b>COMMUNITY &amp; ENVIRONMENT</b>							
<b>CULTURAL CITY</b>							
Playing Fields General Improvements	PM	3,740					3,740
Bromhams Farm Changing Rooms	PM	14,960					14,960
Play Area Refurbishments	AC	157,390	68,000				89,390
Sports Facilities Refurbishment	AC	179,880	130,090				49,790
Parks Improvements	PM	210,000					210,000
Contribution to RAMM Re HLF Parks Bid	PM	191,800					191,800
Leisure Management Contract	AC	59,680					59,680
Exwick Community Centre	AC	20,780					20,780
RAMM Redevelopment	AC	1,655,610					1,655,610
RAMM Off Site Store	AC	40,740					40,740
Cowick Barton Changing Rooms - External Paving	PM	20,000					20,000
Cowick Barton Changing Rooms - External Walls etc	PM	8,000					8,000
Neighbourhood Parks & Local Open Spaces	PM	60,000					60,000
Allotments - Toilet Replacement	PM	40,000	17,500				22,500
St Katherine's Priory Re-Roofing	MC	47,000					47,000
<b>CARED FOR ENVIRONMENT</b>							
Home Recycling Scheme	RN	60,000					60,000
Public Toilet Refurbishment	PM	990					990
Local Authority Carbon Management Programme	PM	129,130	42,130				87,000
Improvements to Cemetery Roads & Pathways	PM	16,090					16,090
Cemeteries & Churches Storage Improvements	PM	31,970	25,000				6,970
Midi Recycling Banks	RN	10,000					10,000
Upgrade of Turf Sewage Treatment Plant	AC	9,650					9,650
General Open Space Improvements	PM	8,330					8,330
Green Waste Shredders	PM	36,000			327		36,327

APPENDIX 2

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
		£	£	£	£	£	£
<b>EXCELLENCE IN PUBLIC SERVICES</b>							
Vehicle Replacement Programme	PM	418,110					418,110
Replacement of Homecall Equipment	RN	930					930
New Technology for Cleansing	RN	108,040					108,040
Belle Isle Depot - Secure Equipment Storage	PM	125,000					125,000
<b>HEALTHY &amp; ACTIVE PEOPLE</b>							
Disabled Facility Grants	RN	321,330					321,330
<b>EVERYONE HAS A HOME</b>							
Warm Up Exeter/PLEA Scheme	RN	265,540					265,540
Renovation Grants	RN	131,780					131,780
Wessex Loan Scheme	RN	737,120					737,120
Glencoe Capital Works	LB	20,000	5,000				15,000
St Loyes Design Fees	LB	120,290					120,290
Private Sector Renewal Scheme	LB	793,830	350,000	143,830			300,000
Social Housing Grants	LB	1,297,910	977,720				320,190
Rennes House	LB	360					360
Whipton Methodist Church	LB	176,750					176,750
Bennett Square	LB	1,840					1,840
St Paul's Church PC	LB	100,000					100,000
Exwick & Foxhayes School SOS	LB	300,000	300,000				0
Steps Acquisitions	LB	50,000	50,000				0
Laings	LB	50,000	25,000				25,000
11-13 Stepcoote Hill	LB	60,000	60,000				0
22 St Davids Hill Conversion	LB	100,000	50,000				50,000
Hennis Project St Sidwells	LB	32,340	24,260				8,080
Other Temp Accom Improvement	LB	50,000	25,000				25,000



APPENDIX 2

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
		£	£	£	£	£	£
Temporary Accommm Purchase	LB	420,000					420,000
Conversion 23 Longbrook Terrace	LB	25,000	25,000				0
Wheelchair Homes in RNSD Depot	LB	250,000	150,000				100,000
Sprinklers	LB	141,000	89,250				51,750
Coronation Road / Wonford Street	LB	50,000	50,000				0
Infill Sites	LB	350,000	350,000				0
Sovereign Infill - Shakespeare Road	LB	375,000	187,500				187,500
Sovereign Infill - Leypark Road	LB	135,000	67,500				67,500
Sovereigh Infill - Residue	LB	255,000	255,000				0
COB Phase 3 Fees	LB	135,300	100,000				35,300
COB Phase 3 - St Andrews Road	LB	62,500					62,500
COB - Land Purchase	LB	300,000	300,000				0
<b>SAFE CITY</b>							
Replace Digital Recording Equipment at Control Centre	RN	16,000				(16,000)	0
<b>COMMUNITY &amp; ENVIRONMENT TOTAL</b>		<b>10,787,710</b>	<b>3,723,950</b>	<b>143,830</b>	<b>327</b>	<b>(16,000)</b>	<b>6,904,257</b>

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
		£	£	£	£	£	£
<b>ECONOMY &amp; DEVELOPMENT</b>							
<b>ACCESSIBLE CITY</b>							
National Cycle Network	DH	31,360					31,360
Signage / Pedestrian Interpretation	RS	31,600					31,600
Well Oak Footpath/Cycleway	RS	80,000	80,000				0
King William Street Car Park Refurb Stage 1	RC	218,300	195,000				23,300
King William Street Car Park Refurb Stage 2	RC	900,000	875,000				25,000
<b>CULTURAL CITY</b>							
18 North Street Panelling	RS	2,720					2,720
Corn Exchange Enhancements	MC	7,550					7,550
Corn Exchange - Haystack Lantern	PM	17,240			3,625		20,865
Floodlighting	RS	1,120					1,120
<b>CARED FOR ENVIRONMENT</b>							
City Centre Enhancements	KH	407,220	267,220				140,000
Mincinglake/Northbrook Study	DH	63,730					63,730
Ibstock Environmental Improvements	MC	3,240					3,240
Planting Improvements in Riverside Valley Park	RS	14,250					14,250
Cowick Street Environmental Works		100,000					100,000
<b>EXCELLENCE IN PUBLIC SERVICES</b>							
Verney House	MC	45,000					45,000
<b>LEARNING CITY</b>							
Improvements to Quay House Visitor Centre	RB	2,010					2,010

APPENDIX 2

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
		£	£	£	£	£
<b>PROSPEROUS CITY</b>						
	Canal Basin and Quayside	648,990				648,990
	Science Park	761,730				761,730
	137 Cowick Street	130,710				130,710
<b>SAFE CITY</b>						
	Security Measures for Riverside Valley Park	2,570				2,570
<b>ECONOMY &amp; DEVELOPMENT TOTAL</b>		<b>3,469,340</b>	<b>1,417,220</b>	<b>3,625</b>	<b>0</b>	<b>2,055,745</b>

APPENDIX 2

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
			£	£	£	£	£
<b>CORPORATE SERVICES</b>							
<b>ACCESSIBLE CITY</b>							
Equal Opportunities Improvements	PM	9,230					9,230
<b>ELECTRONIC CITY</b>							
Electronic Document Management	PE	8,330					8,330
Server and Storage Strategy	PE	40,000					40,000
FIMS Replacement	AS	5,130					5,130
Environmental Health System Upgrade	RN	4,590					4,590
Security Compliance for GCSx & PCI DSS	PE	48,000					48,000
Authentication Module	PE	31,000					31,000
IT Development Time	PE	37,500					37,500
PC & Mobile Devices Replacement Programme	PE	104,100					104,100
Corporate Network Infrastructure	PE	30,000					30,000
GIS Strategy	PE	60,000					60,000
Intranet & Internet	PE	3,000					3,000
Benefits & Council Tax On-Line	PE	0				(5,800)	(5,800)
<b>EXCELLENCE IN PUBLIC SERVICES</b>							
Franking Machine	JS	17,000				(980)	16,020
Capitalised Staff Costs	AS	261,000					261,000
<b>CORPORATE SERVICES TOTAL</b>		<b>658,880</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,780)</b>	<b>652,100</b>

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

	Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
			£	£	£	£	£
<b>HRA CAPITAL</b>							
<b>EVERYONE HAS A HOME</b>							
	LB	143,540					143,540
	LB	450,000					450,000
	LB	10,750			4		10,754
	LB	260,000					260,000
	LB	364,270					364,270
	LB	10,000					10,000
	LB	50,000					50,000
	LB	300,000					300,000
	LB	125,440	100,440				25,000
	LB	100,000					100,000
	LB	35,700					35,700
	LB	20,000					20,000
	LB	1,500,000	1,000,000				500,000
	LB	250,000					250,000
	LB	446,690	270,000				176,690
	LB	259,250					259,250
	LB	50,000					50,000
	LB	402,420					402,420
	LB	200,000					200,000
	LB	50,000					50,000
	LB	100,000					100,000
	LB	250,000					250,000
	LB	200,000					200,000
	LB	670,050	140,000				530,050
	LB	1,340,450	500,000				840,450
		<b>7,588,560</b>	<b>2,010,440</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>5,578,124</b>
<b>HOUSING REVENUE ACCOUNT TOTAL</b>							

APPENDIX 2

2011/12  
CAPITAL MONITORING TO 30 SEPTEMBER 2011

Lead Officer	2011/12 Capital Programme	2011/12 Budget to be Carried Forward to 2012/13	2011/12 Budget to be Carried Forward to 2013/14	Additional Budget Requirement	Saving Reported	2011/12 Revised Capital Programme
		£	£	£	£	£
<b>COUNCIL HOUSEBUILDING PROGRAMME</b>						
<b>COUNCIL'S OWN BUILD</b>						
Merlin Crescent	LB 663,240					663,240
<b>COUNCIL HOUSEBUILDING TOTAL</b>		<b>663,240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>663,240</b>

<b>CAPITAL AND PROJECT EXPENDITURE TOTAL</b>	<b>23,167,730</b>	<b>7,151,610</b>	<b>143,830</b>	<b>3,956</b>	<b>(22,780)</b>	<b>15,853,466</b>
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Head of Leisure and Museums	AC
Head of Treasury Services	AS
Engineering and Construction Manager	DH
Head of Corporate Customer Services	JS
Director of Economy and Development	KH
Acting Head of Housing	LB
Acting Head of Estates Services	MC
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
Strategic Housing Manager	RM
Head of Environmental Health Services	RN
Head of Planning Services	RS

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 NOVEMBER 2011

EXECUTIVE  
6 DECEMBER 2011

COUNCIL  
13 DECEMBER 2011

#### OVERVIEW OF GENERAL FUND REVENUE BUDGET 2011/12

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall projected financial position of the General Fund Revenue Budget after six months, for the 2011/12 financial year.

#### 2. REVENUE POSITION – EXECUTIVE SUMMARY

FUND	Latest Approved Budget	Stewardship Variance Sept 2011	Outturn Forecast 2011/12
	£	£	£
General Fund	14,173,620	300,981	14,474,601
HRA*	499,390	(154,130)	345,260
* Net deficit			

#### GENERAL FUND – Appendix A

- 2.1 The Service Committee budgets shows a forecast overspend of £384,220 (2.95%) against a revised Service Committee Net Expenditure budget of £13,003,620 and an overall overspend of £300,981 against General Fund Expenditure including investment interest and funds set aside for the repayment of debt.
- 2.2 Details of the variances are being disclosed in stewardship reports to individual Scrutiny Committees during the current cycle of meetings. However the main variances are as follows:
- 2.3 **Scrutiny Committee Community – (An underspend of £188,620)**

There will be a saving on staff costs in Environmental Protection as a result of a vacancy which will not be filled. This has caused an underspend of £52,370.

Cleansing services is anticipated to overspend by £150,000 as a result of the increased cost of fleet.

Within the Museums Service there will be a saving on staff costs as a result of some grades being lower than anticipated in the estimates following the Job Evaluation exercise, although in some cases the reduction will not be fully realised in the current year due to pay protection. The anticipated saving is £75,190.

Income from the sale of recyclates is expected to exceed the estimates, and the cost of freight is expected to be less than estimated. It is estimated that the underspend will total ££279,170.

A number of issues have arisen in respect of Advisory Services in General Fund Housing, including an increase in cleaning, repairs & maintenance and a reduction in grant from Devon CC for the Supporting People contract. This has caused a projected overspend of £109,600.

Other variances within the Committee result in a net underspend of £41,490, leaving an anticipated total underspend for the Committee of £135,960.

#### **2.4 Scrutiny Committee Economy – (An overspend of £445,500)**

Additional expenditure will be incurred in Planning in respect of costs awarded against the Council regarding a planning appeal at Hill Barton Farm. This will contribute towards an anticipated overspend of £65,880.

Car parking income is 4.9% below budget due to the economic climate. Whilst there are some savings, the anticipated overspend is £216,970.

There is an anticipated overspend in respect of the closure of the Archaeological Field Unit. The cost, which was reported to the Executive in March 2011, has increased slightly to £268,420.

Additional income is expected in respect of livestock sales, commission and rental income, contributing to an estimated underspend of £95,660.

Other variances within the Committee result in a net underspend of £10,110, leaving an anticipated total overspend for the Committee of £445,500.

#### **2.5 Scrutiny Committee Resources – (An overspend of £127,340)**

It is anticipated that there will be a reduction in the amount of Housing Benefit Subsidy received, mainly in respect of non HRA rent allowances, however this has been partially offset by an increase in the use of private sector landlords as opposed to Bed & Breakfast, which attracts greater subsidy. This has resulted in an estimated overspend of £171,160 (0.38%) against the £44.7 million budget.

A reduction in staffing and maintenance work in Corporate Customer Services has resulted in an underspend of £117,710.

Other variances within the Committee result in a net overspend of £73,890, leaving an anticipated total overspend for the Committee of £127,340.

### **3. OTHER FINANCIAL VARIATIONS**

3.1 There is a net transfer from Earmarked Reserves of £140,350, an increase of £21,350 from budget.

3.2 The Council has been awarded £389,165 in the form of the New Homes Bonus. This is an unringfenced grant that the Council may use as it chooses.

3.3 After the completion of the final accounts for 2010/11, the provision for the repayment of debt has been calculated and is £118,739 lower than the estimate. It is anticipated that net interest paid will be £35,500 higher than anticipated owing to a credit downgrade of the two banks which the Council holds call accounts. The Council is now using the Government's Debt Management Office at a much lower interest rate, but with the security of a triple AAA rated account.



3.4 The overall net transfer to the General Fund Working Balance is estimated to be £189,964 at 31 March 2012 after accounting for July approved supplementary budgets of £147,270.

#### 4. HOUSING REVENUE ACCOUNT (HRA) (APPENDIX B)

4.1 During this period the total budget variances indicate that there will be a net surplus of £154,130 which will be transferred to the HRA working balance at 31 March 2012. This represents a reduction of £345,260 compared to the budgeted reduction to the working balance of £499,390. It is estimated that the working balance will stand at £3,570,681 at 31 March 2012.

4.2 Details of the variances are being disclosed in stewardship reports to Scrutiny Committee Community during the current cycle of meetings.

#### 5. PROGRESS ON SAVINGS

5.1 The Council identified £2.4 million savings whilst setting the 2011-12 budget. Appendix C sets out the progress services have made towards meeting the savings identified. After six months it is anticipated that £2.2 million (92%) of the savings will be achieved.

5.2 There are a number of reasons for some of the savings not being achieved. Some have been approved and others are outside the control of the Council. In general, however, the Council is on track to broadly meet the savings approved in February.

#### 6. OUTSTANDING SUNDRY DEBT

6.1 The Council issues invoices for a range of sundry debts, including :-

- Commercial rent
- Trade waste
- Service charge and ground rent for leasehold flat owners
- Home call alarms
- Housing benefit overpayments
- A range of other services such as room rental.

This does not include housing rent, council tax or business rate debt.

6.2 An aged debt analysis of the Council's sundry debts is shown in the table below. Debt over 30 days old has decreased over the year from £2.186m to £1.884m – a reduction of £302,000. Debts over 5 years old relate in the main to three services, Housing Benefit overpayments (£144,378), Engineering (£20,938) and Housing (£14,659).

Age of Debt	September 2010	September 2011
Up to 29 days (current)	£939,888	£1,050,653
30 days – 1 Year	£995,544	£862,928
1 – 2 years	£406,598	£405,545
2 – 3 years	£235,441	£214,130
3 – 4 years	£141,627	£141,298
4 – 5 years	£120,569	£79,561
5 + years	£286,438	£180,376
<b>Total</b>	<b>£3,126,105</b>	<b>£2,934,491</b>

6.3 Of the outstanding debt, the table below sets out the main services and debts owing:

	<b>Outstanding Debt – 30 Sept 2011</b>
	<b>£</b>
▪ Commercial rent	633,405
▪ Markets & Halls	55,489
▪ Trade waste	86,155
▪ Service charge and ground rent for leasehold flat owners	79,560
▪ Home call alarms	6,149
▪ Housing benefit overpayments*	1,044,163
▪ Engineering	20,938
▪ AFU	175,142
▪ Economy & Tourism	86,592
▪ HRA	78,448
▪ General Fund Housing	97,250
▪ River & Canal	38,401

- These overpayments occur largely due to claimants' change of circumstances which leads to a lower benefit entitlement once a reassessment is made. This figure represents about 2.4% of the total annual benefits paid and more than 90% of these amounts are usually recovered.

## 7. DEBT WRITE-OFFS

7.1 The following amounts have been written-off during the first six months of 2011/12:

	£
• Council Tax	69,230
• Business Rates	0
• Sundry Debt	96,528
• Housing Rents	7,068

## 8. CREDITOR PAYMENTS PERFORMANCE

8.1 During the first six months of 2011/12, the percentage of invoices paid within 30 days was 96.6%, which is marginally lower than the first quarter performance of 97.0%.

## 9. CONCLUSION

9.1 The forecast increase in Service Committee net expenditure for 2011/12 totals £384,220 including the supplementary budgets of £147,270. This together with transfers from Earmarked Reserves, net interest paid, the New Homes Bonus and provision for the repayment of debt will result in a transfer of £189,534 to the General Fund Working Balance.

9.2 The forecast General Fund Working Balance at 31 March 2012 is £4,382,861 and equates to 31% of the General Fund net expenditure.

9.3 It is estimated that the HRA working balance will be £3,570,681 at 31 March 2012.

9.4 The creditors' payment performance has remained steady and is currently 96.6%.

## **10. RECOMMENDATION**

10.1 That Scrutiny Resources Committee notes and Executive recommend that the Council approve:

- The General Fund forecast financial position for the 2011/12 financial year
- The HRA forecast financial position for 2011/12 financial year
- The outstanding Sundry Debt position as at September 2011
- The creditors' payments performance

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

None

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APPENDIX A

EXETER CITY COUNCIL  
2011/12 REVENUE ESTIMATES - SUMMARY  
as at 30 September 2011

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
SCRUTINY - COMMUNITY	12,923,050	10,100	12,933,150	12,744,530	(188,620)
SCRUTINY - ECONOMY	(2,256,560)	125,170	(2,131,390)	(1,685,890)	445,500
SCRUTINY - RESOURCES	5,547,950	12,000	5,559,950	5,687,290	127,340
less Notional capital charges	(3,024,690)		(3,024,690)	(3,024,690)	0
FRS17 Pension Adjustment	(333,400)		(333,400)	(333,400)	0
<b>Service Committee Net Expenditure</b>	<b>12,856,350</b>	<b>147,270</b>	<b>13,003,620</b>	<b>13,387,840</b>	<b>384,220</b>
Net Interest	100,000		100,000	135,500	35,500
Minimum Revenue Provision	1,070,000		1,070,000	951,261	(118,739)
<b>General Fund Expenditure</b>	<b>14,026,350</b>	<b>147,270</b>	<b>14,173,620</b>	<b>14,474,601</b>	<b>300,981</b>
Transfer To/From(-) Working Balance	227,700	(147,270)	80,430	189,964	109,534
Transfer To/From(-) Earmarked Reserves	(119,000)		(119,000)	(140,350)	(21,350)
<b>General Fund Net Expenditure</b>	<b>14,135,050</b>	<b>0</b>	<b>14,135,050</b>	<b>14,524,215</b>	<b>389,165</b>
Formula Grant	(9,279,790)		(9,279,790)	(9,279,790)	0
Council Tax Freeze Grant	(118,456)		(118,456)	(118,456)	0
New Homes Bonus	0		0	(389,165)	(389,165)
<b>Council Tax Net Expenditure</b>	<b>4,736,804</b>	<b>0</b>	<b>4,736,804</b>	<b>4,736,804</b>	<b>0</b>

Working Balance March 2011      £ 4,192,897

Working Balance March 2012      £ 4,382,861

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APPENDIX B

HOUSING REVENUE ACCOUNT - SUMMARY  
2011/12

as at 30 September 2011

	Approved Annual Budget	Current Outturn Forecast	Variance To Budget
	£	£	£
85A1 Management	2,865,390	2,584,410	(280,980)
85A3 Sundry Lands Maintenance	266,190	261,190	(5,000)
85A4 Repairs Fund Contribution	9,324,720	9,464,720	140,000
85A6 Capital Charges	0	0	0
85A8 Rents	(16,117,210)	(16,190,210)	(73,000)
85B1 Government Subsidy	4,284,210	4,297,060	12,850
85B2 Interest	(123,910)	(71,910)	52,000
85B4 <b>Variance in Working Balance</b>	<b>(499,390)</b>	<b>(345,260)</b>	<b>154,130</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
85B5 Council Own Build	0	0	0
<b>Working Balance</b>	<b>1 April 2011</b>	<b>31 March 2012</b>	<b>£ 3,570,681</b>
	<b>£ 3,915,941</b>		

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**APPENDIX C**

**SUMMARY OF AGREED REVENUE SAVINGS 2011-12**

<b>Nature of saving</b>	<b>Achieved £</b>	<b>Not Fully Achieved £</b>	<b>Comments</b>
<b>Chief Executive</b>			
Reduction of Policy Officer working hours to 4 days	8,800		
Reduction in community involvement and consultation budgets	10,000		
Reduction of CX working hours to 4 days	28,000		
Reduction in staff in Chief Executive's Support unit by 1 fte	44,000		
Reduction of CX/ACX Admin Support	8,800		
Grants - various reduce by 20%	69,200		
<b>sub total</b>	<b>168,800</b>	<b>-</b>	
<b>Corporate Services</b>			
Internal Audit - Additional income from sale of CIPFA publication		20,000	
Human Resources :			
Delete IT Trainer budget	35,000		
Amalgamate all service training budgets	26,000		
Legal Services :			
Joint procurement of research and precedents information		6,000	
Reduced fees for practising certificates	4,700		
IT :			
Reformat bulk printing templates	14,000		
General repair/consumables and maintenance savings	11,000		
BS security standard maintenance - to be provide in-house	5,000		
Staffing reduction 1.5 fte (copy centre and EDRMS)	38,000		
Corporate Customer Services :			
Savings arising from combined elections	40,000		
Election administration - casual staff, postage, training	6,800	2,200	
Income from marriages/civil ceremonies at the Guildhall		10,000	
Guildhall/Mayorality - reduced costs re transport, staffing etc.	13,500		
Civic Centre - postage, vending, publications and office cleaning	42,000		
CSC - cashiers service, service development	45,000		
Treasury Services :			

APPENDIX C

SUMMARY OF AGREED REVENUE SAVINGS 2011-12

Nature of saving	Achieved £	Not Fully Achieved £	Comments
Not filling vacant posts in council tax section	58,700		
Reduction of clerical support for benefits and council tax	20,100		
Reduction of working days of an assessment officer	9,900		
Service restructure - combine cashiers and creditors	21,900		
Not filling currently vacant post in HB section	20,200		
Reduction in planned overtime	2,100		
Further reduction in clerical support for benefits and council tax	40,200		
Deletion of Appeals Officer Post partly funded by EDDC	14,000		
<b>sub total</b>	<b>468,100</b>	<b>38,200</b>	
<b>Community and Environment</b>			
Environmental Health Services :			
Refuse Collection - efficiency savings from reorganisation of rounds	60,000	75,000	Staff savings made but large increase in fuel and maintenance costs
Refuse Collection - increased bulky waste charges	6,000	3,500	Reduction in number of collections requested
Refuse Collection - scale down free bulky collections	17,000		
Recycling - increase garden waste collection charges	5,000		
Increased income from recycles yield			
Introduction of charging for prime site public conveniences	27,700	4,000	Not been implemented
Licensing - increase in fees and introduce city-wide scheme	8,800		Overall income in line with budget
Private Sector Housing - increase new HMO licensing fee	1,900		
Pest control - increase in charges	47,500		
Restructure of Commercial Team - deletion of vacant post	42,300		
Community Patrol - service cut and restructure	17,000		
Control Room - reduction in overtime and p/t vacant post			
General Fund Housing :			
Restructure of Housing Needs Section	24,000		
Re-negotiation of lease for 88 Alphington Road	3,000		
Reduction in Strategic Housing Manager's hours	12,000		

**APPENDIX C**

**SUMMARY OF AGREED REVENUE SAVINGS 2011-12**

<b>Nature of saving</b>	<b>Achieved £</b>	<b>Not Fully Achieved £</b>	<b>Comments</b>
Restructure of Housing enabling/Empty Homes team	40,000		
Use of commuted sum money	100,000		
Leisure Services :			
ISCA Centre management incorporated within new contract	10,000		
Income from s106 contributions for new play areas	5,000		
Countryside Team - reduce staffing by 1fte	30,000		
Head of Leisure & Museums - Flexible retirement	5,000		
Cease all sports development work, play work and the scrapstore	150,000	10,000	Extension to length of contract agreed
Cemeteries :			
Increase memorial fees by 10%	4,400		
Removal of 10 year exclusive rights of burial option	20,300		
Parks and Open Spaces :			
Removal of funding for vacant apprentice post	16,900		
Increase allotment rents by 18% from Sep 2011	2,900		
Reduce standards on scrub maintenance	2,000		
Increase winter sports fees	6,000		
increase summer sports fees	3,000		
Grass over some shrub beds	5,000		
Reduce bowling greens from 5 to 4	6,900		
Reduce programmed litter collections	8,700		
Minimise end of season pitch renovation	2,000		
Take 5 pitches out of play	5,000		
Reduce number of changing rooms open at weekend by 2	8,400		
Reduce maintenance at tennis courts	2,000		
Reduce grass maintenance teams by removing agency posts	30,000		
Reduce shrub maintenance further	5,000		
Retender changing room cleaning	2,000		
Cease weekend pitch inspection	4,000		
Cease summer weekend patrols of parks	5,500		
Remove seasonal bedding in parks	3,500		
Reduce action taken on unauthorised camping in Valley Parks	5,000		
Administration :			

APPENDIX C

SUMMARY OF AGREED REVENUE SAVINGS 2011-12

Nature of saving	Achieved £	Not Fully Achieved £	Comments
Restructure - additional savings above already budgeted for	17,500		
Cessation of internal graphic design service	31,000		
<b>sub total</b>	<b>809,200</b>	<b>92,500</b>	
<b>Economy and Development</b>			
Operational Services and Transport :			
Deletion of all current vacant posts in Engineering Services	87,400		
Reduced spending on transportation initiatives	25,600		
Bring car park security arrangements in house	65,000	25,000	Partially achieved - renegotiated external contract at a lower rate
Delete 1 senior civil enforcement post	27,500		
Delete 1 car park revenue officer and revise working patterns	19,800		
Tourism :			
Additional income re Underground Passages	15,000		
withdraw grant to visit Devon	3,000		
Reduce design budget	1,000		
EVIT/TIC budget	800		
Increase group booking fees	2,500		
Merging of Visitor Information and Tickets Manager post	18,000		
Reduce/rationalise leaflet printing	11,200		
Reduce Red Coat Guide marketing	3,300		
Stop producing Heritage Open Days leaflet	2,000		
Stop subscription to city breaks.org	3,000		
Close EVIT for one day per week	13,000		Achieved by reduced opening hours not closing for one day
Reduce tourism marketing	20,000		
Economic Development :			
Remove printing budget	1,300		
Stop contribution to Devon County Show	2,000		
Stop paying DCC research info contribution	3,200		

APPENDIX C

SUMMARY OF AGREED REVENUE SAVINGS 2011-12

Nature of saving	Achieved £	Not Fully Achieved £	Comments
Reduce maintenance and expenses budget	2,500		
Reduce contribution to Exeter Positive Steps	16,200		
Reduce operational budgets	6,000		
Restructure Marketing Post and Senior Economic Development Officer	40,000		
Reduce investment marketing budget		10,000	Saving omitted from final budget
Arts and Festivals :			
Reduce contribution to Vibraphonic Festival	5,000		
Summer Festival (Option 1) Reduce budget to £65,000 for smaller focussed programme	35,000		
Delete one Festival assistant post	14,500		
Stop City Council contribution to the City Lights switch on	7,200		
Stop City Council contribution to Christmas Lights	31,000		
Remove Autumn Festival budget	13,000		
Estates Services :			
Continuation of acting up/backfill arrangements	57,500		
Increase in fee income recovered from third parties	5,000		
Savings on IT and Training budgets	5,000		
Various budget savings at Livestock Centre	20,000		
Various budget savings at Corn Exchange	15,000		
Various budget savings at Markets	15,000		
Delete vacant Markets Assistant post	2,000		
Cease parking enforcement at Quay and Bradninch Place	5,000		
Planning Services :			
Reapportion costs to fee earning account	6,800		
Additional income from pre-application charges	20,000		
Planning Enforcement - deletion of vacant post	26,200		
Additional income from other new charges	10,000		
Forward Planning		18,000	Full time post continued to Dec 2011
Assistant Conservation Officer - redundant or part-time	6,000		
Urban Design Officer - deletion of post (1 of 3)	23,500		
Technical Officer - deletion of post	19,500		
<b>sub total</b>	<b>731,500</b>	<b>53,000</b>	

APPENDIX C

SUMMARY OF AGREED REVENUE SAVINGS 2011-12

Nature of saving	Achieved £	Not Fully Achieved £	Comments
reduce provision for pay award	60,000		
<b>SUMMARY</b>			
	<b>2011-12 £</b>		
General	60,000	-	
Chief Executive	168,800	-	
Corporate Services	468,100	38,200	
Community and Environment	809,200	92,500	
Economy and Development	731,500	53,000	
<b>Total</b>	<b>2,237,600</b>	<b>183,700</b>	
<b>Total Approved Savings 2011-12</b>		<b>2,421,300</b>	

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 23 NOVEMBER 2011

EXECUTIVE  
6 DECEMBER 2011

COUNCIL  
13 DECEMBER 2011

#### TREASURY MANAGEMENT – 2011/12 – HALF YEAR UPDATE

##### 1. PURPOSE OF REPORT

- 1.1 To report on the current performance for the 2011/12 financial year and the position regarding investments and borrowings at 30 September 2011.

##### 2. TREASURY MANAGEMENT STRATEGY

- 2.1 The Council approved the 2011/12 treasury management strategy at its meeting on 22 February 2011. The Council's stated investment strategy was to continue to use Investec for longer term investments and utilise our call accounts and major banks and local authorities. The Council's stated borrowing strategy was to maintain short-term borrowing as long as rates remained low. The Council is currently borrowing for periods of up to 364 days only.
- 2.2 The Head of Treasury Services can confirm that all treasury management activity undertaken during the period complied with the approved strategy, the *CIPFA Code of Practice*, and the relevant legislative provisions.

##### 3. ECONOMIC REVIEW

- 3.1 The first half of the financial year saw deteriorating expectations for global economic growth and continued concern about sovereign creditworthiness, causing financial market volatility in August and September. Long-term gilt yields fell by a full percentage point to around 3.50%.
- 3.2 Many Western developed nations, including the UK, implemented policies to reduce public budget deficits, which unsurprisingly curbed domestic demand. At the same time, many economies were suffering from high inflation due to stubbornly high commodity prices; this prompted the European Central Bank (ECB) to raise interest rates in April and July.
- 3.3 The Eurozone sovereign debt crisis continues to be a significant influence on financial markets, with investors fearing the consequences of a sovereign default on the financial system. Despite the initial bailouts of Greece, Ireland and Portugal, the crisis has continued with a second bailout of Greece required to avoid defaulting in the near future.

3.4 In the UK, the coalition government implemented its fiscal consolidation plan and despite the continuing low confidence and subdued domestic spending, inflation remains high due to the rise in VAT and higher food, energy and petrol prices. The Bank of England, however, was more concerned about the deteriorating economic outlook, and maintained Bank Rate at 0.5%, resisting pressure to increase rates to bring inflation back to target more quickly.

#### 4. Interest Rate Prospects

4.1 The overriding concern for the Bank of England is the weakening economic outlook. Forecasts for the UK recovery include an improvement in the country's net trade position, but slowing global growth means that the boost to the economy from this avenue is less assured. Domestic spending is highly likely to remain subdued, as disposable income is eroded by higher inflation, taxes and energy prices, and low wage growth. The Bank has, during October 2011 resumed its programme of quantitative easing to boost economic growth. Most financial forecasters do not expect the first rise in Bank Rate to be before 2013. The latest interest rate forecast from the Council's treasury management advisers, Sterling Consultancy Services is shown below and demonstrates that they believe there will be a rise in Bank Rate during the second half of next year:

	SCS Central forecast					Market forecast	
	Bank Rate	1 month LIBOR	3 month LIBOR	12 month LIBOR	25 year PWLB	Bank Rate	3 month LIBOR
<b>Current</b>	<b>0.50</b>	<b>0.69</b>	<b>0.94</b>	<b>1.71</b>	<b>4.56</b>	<b>0.50</b>	<b>0.92</b>
Q4 2011	0.50	0.70	0.95	1.75	4.75	0.50	0.92
Q1 2012	0.50	0.65	0.90	1.70	4.80	0.50	0.97
Q2 2012	0.50	0.65	0.85	1.65	4.80	0.50	0.88
Q3 2012	0.75	0.80	0.95	1.75	4.80	0.50	0.88
Q4 2012	0.75	0.85	1.05	1.80	4.90	0.50	0.92
H1 2013	1.25	1.35	1.50	2.25	5.00	0.50	1.05
H2 2013	1.75	1.85	2.00	2.75	5.10		1.31
H1 2014	2.25	2.35	2.50	3.25	5.20		1.61



## 5. NET INTEREST POSITION

- 5.1 The General Fund shows an estimated net reduction in interest receivable compared to the budget, the position is:

	Estimate	Sept 11	Estimated Outturn	Variation
	£	£	£	£
<b>Interest paid</b>	120,000	37,676	79,000	(41,000)
<b>Interest earned</b>				
Interest from portfolio	(120,000)	0	0	120,000
Temporary investment interest	(40,000)	(15,925)	(20,000)	20,000
Other interest earned	(2,000)	(1,025)	(2,050)	(50)
Less				
Interest to HRA	117,780	35,000	70,000	(47,780)
Interest to s106 agreements	17,700	2,938	5,875	(11,825)
Interest to Trust Funds	6,520	1,088	2,175	(4,345)
Lord Mayors Charity	0	250	500	500
GF interest received	<u>(20,000)</u>	<u>22,326</u>	<u>56,500</u>	<u>76,500</u>
Net interest	<u><u>100,000</u></u>	<u><u>60,002</u></u>	<u><u>135,500</u></u>	<u><u>35,500</u></u>

- 5.2 The reduction against budget has been caused by a number of factors. Please see section 6 for a detailed explanation.

## 6. INVESTMENT INTEREST

- 6.1 The Council closed its investment portfolio held by Investec in February 2011, which was after the date that the budget for investment interest was set. This has therefore meant that there is a reduction in investment interest earned against the estimate. However this has been partially off-set by lower borrowing costs. A recent decision by credit agencies to downgrade the Royal Bank of Scotland and Lloyds Banking Groups means that the Council can no longer hold as much cash in our call accounts. We are therefore utilising the Government's Debt Management Office account in line with the treasury management strategy. However this pays a much lower interest rate of 0.25%.

- 6.2 The HRA interest is calculated according to statute, and has changed to reflect the lower returns.

## 7. ICELANDIC INVESTMENTS

- 7.1 On 28 October 2011 the Icelandic Supreme Court upheld the decision of the Icelandic District Court. The decision means that the deposits placed by the test case UK local authorities have priority status in the winding up of the Icelandic banks, Landsbanki and Glitnir. We however still await confirmation from the winding up boards of both banks that they will apply the Supreme Court decision to the non-test cases of which Exeter is part.

## **8. BORROWINGS**

- 8.1 The Council has reduced its temporary borrowing over the first six months of the year and as such now has only £10.5 million of borrowing down from £15 million at the start of the year. Subject to the final outcome of the Icelandic court case, it is anticipated that this will reduce slightly by the end of the year as debt is repaid. The most recent borrowing has been taken over 364 days as interest rates remain very low. The Council continues to have no long term debt.

## **9. AMENDMENT TO THE COUNCIL'S OPERATIONAL BOUNDARY AND AUTHORISED LIMIT FOR BORROWING**

- 9.1 The Government intends to introduce a self-financing regime for the Housing Revenue Account (HRA). As part of the arrangements to remove HRA subsidy, the Council will be required to pay the Government an amount of money (currently £58.5 million) to "buy" itself out of the subsidy system. The final amount will be confirmed in January 2012 but could be significantly higher and the payment will have to be made on 28 March 2012. The Council will therefore have to undertake long term borrowing in order to be able to afford to pay this sum to the Government.
- 9.2 From a Treasury Management perspective, an analysis will be undertaken to ensure that repayments are affordable and in line with the HRA Business Plan. However, the Prudential code indicators adopted by the Council in February 2011, set an Operational Boundary and Authorised Limit for the maximum level of borrowing that the Council can undertake. As this borrowing will be required during this financial year, it is necessary to increase the level of these two indicators for 2011/12.
- 9.3 It is proposed therefore that both the Operational Boundary and the Authorised Limit are increased by £80 million to ensure that any increases in the amount to be paid to Government will be covered by this approval. The Operational Boundary for 2011/12 will therefore become £115 million and the Authorised Limit £120 million. Future year's indicators will be approved as usual with the main budget papers in February 2012.

## **10. FUTURE POSITION**

- 10.1 Short term borrowing remains at historically low levels and therefore the Council will continue to utilise this in the short term. Conversely, short term investment opportunities remain limited and the recent decision by Fitch to reduce the credit ratings of Royal bank of Scotland and Lloyds banking groups has limited the ability to use our call account facilities at these two banks. This will have an ongoing impact on returns but maximises the security of our cash.

**11. RECOMMENDATION**

- 11.1 That the Treasury Management report for the first six months of 2011/12 be noted.
- 11.2 That Council approves the amendments to the Council's Operational Boundary and Authorised Limit to allow the Council to borrow the funds required for the HRA self-financing regulations.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

**Background papers used in compiling the report:**

None

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 NOVEMBER 2011

#### RISK MANAGEMENT

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise the Committee of the Council's updated corporate risk register.

#### 2. BACKGROUND

- 2.1 The Risk Management Policy makes this Committee responsible for:
- considering the corporate risk register (CRR) and recommending its approval to the Executive
  - monitoring the effectiveness of risk management throughout the Council and the progress made against the CRR target for actions dates.

#### 3. RISK REGISTER

- 3.1 The Risk Management Group and relevant officers have reviewed the risks and, based upon actions implemented and actual experience, have reassessed the Impact and Likelihood scores. This has resulted in the following risk changes (please see Appendix 1 for details of the increased and new risks):

##### 1. Political

- **Organisational change** – New – Medium risk due to the major restructuring

##### 5. Legislative/regulatory & legal

- **Taxi restrictions** – decreased from Medium to Low risk as the policy is regularly reviewed and surveys have not identified any unmet demands

##### 6. Environmental

- **Flooding** – increased from Medium to High risk as climate change assessments suggest there will be an increase in the likelihood of such events in the future

##### 7. Managerial/Professional

- **Industrial action** – New - Medium risk due to the planned actions in response to the changes to the local government pensions scheme

##### 8. Financial

- **Replacement of council tax benefit** – New - High risk due to the short timescale for introduction and lack of funding information

##### 8. Financial

- **RAMM levels of environmental control** – decreased from High to Medium risk as the further works undertaken and daily monitoring have reduced the likelihood that the levels of operation will not meet Government requirements

##### 8. Financial

- **Planning appeals** – increased from Low to Medium risk due to the impact of a significant award against the Council

## 8. Financial

- **Localisation of business rates** – New – Medium risk due to the uncertainty of future funding

## 8. Financial

**Capital programme** – reduced from Medium to Low risk because the measures in place have reduced the likelihood of significant underspending of the programme

## 10. Partnership/contractual

- **Connaught in administration** – decreased from Medium to Low risk as a new contract for fitting kitchens and bathrooms in the Housing stock is now in place

## 10. Partnership/contractual

- **Archaeological Field Unit** – decreased from High to Low as the staged closure has been agreed and the backlog of work is being addressed

3.2 Risk management reports have been made to the November meetings of the Community and the Economy Scrutiny Committees of the risks relating to their areas

3.3 The compilation of the Corporate Risks Register has a timescale of nearly two months. The risk register was therefore circulated to all heads of service two weeks before this committee meeting and they were asked to check that their entries were correct in order to ensure that members have the latest information available to them.

## 4. RECOMMENDATIONS

That the Scrutiny Committee - Resources:

4.1 reviews the updated Corporate Risk Register

4.2 undertakes ongoing monitoring to ensure that the risk register remains current and that proposed mitigating actions are achieved by the agreed target dates.

HEAD OF AUDIT

CORPORATE SERVICES DIRECTORATE

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

**Background papers used in compiling the report:**

None

Exeter City Council Corporate Risk Register Risks & benefits	Inherent Risk (impact x likelihood)		Residual Risk (impact x likelihood) & Risk Priority		What needs to be done to control risks	Target date(s)	Responsible officer/s	Strat Obj ref	Change					
	I	L	Tot	H						M	L			
<b>1. Political</b> <b>1. Organisational restructure</b> <b>a) Risks &amp; threats:</b> <ul style="list-style-type: none"> <li>Lack of understanding of the new structure</li> <li>Impact on future recruitment &amp; retention</li> <li>Disruption while services realigned and staff appointed to new structure</li> </ul> <b>Consequences:</b> <ul style="list-style-type: none"> <li>disruption to services</li> <li>loss of corporate history &amp; knowledge</li> <li>low staff morale</li> <li>loss of internal &amp; external working relationships</li> </ul> <b>b) Benefits &amp; opportunities:</b> <ul style="list-style-type: none"> <li>Financial savings</li> <li>Improved coordination &amp; delivery of services</li> <li>More efficient &amp; effective services that respond to new challenges</li> <li>Streamlined &amp; more responsive organisation</li> </ul>	3	3	9											
					<b>What has been done to control risks (i.e. countermeasures)</b> <ul style="list-style-type: none"> <li>Affected staff being kept informed of progress</li> <li>Regular advice from Head of HR on the process</li> <li>Ongoing dialogue with union representatives</li> <li>Regular updates to the Leader &amp; other Group Leaders as appropriate</li> <li>Engagement of external advice as a "critical friend" on the emergent structure</li> <li>Internal &amp; external communication strategy</li> <li>Implemented support programme</li> </ul>	3	2	6	<b>M</b>	<ul style="list-style-type: none"> <li>Culture change programme being developed to articulate &amp; embed new organisation's priorities &amp; values</li> <li>External support &amp; career support to be provided for affected staff</li> <li>Potential impact on staffing arrangements below director &amp; heads of service level being considered in initial phase of review</li> <li>Reinforce absence management procedures</li> <li>Monitor impact</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> <li>Sept 11 onwards</li> <li>Sept 11 onwards</li> </ul>	CX Assistant CX Head of Human Resources	All	<b>New</b>

Exeter City Council Corporate Risk Register Risks & benefits	Inherent Risk (impact x likelihood)		Residual Risk (impact x likelihood) & Risk Priority		What needs to be done to control risks	Target date(s)	Responsible officer/s	Strat Obj ref	Change
	I	L	Tot	H					
<p><b>6. Environmental</b></p> <p><b>1. Flooding</b></p> <p><b>a) Risks &amp; threats:</b></p> <ul style="list-style-type: none"> <li>• River Exe overtopping the flood defences</li> <li>• Other flooding (e.g. Northbrook)</li> <li>• Climate change assessments suggest likelihood of more events in future</li> </ul> <p><b>Consequences:</b></p> <ul style="list-style-type: none"> <li>• risk of drowning</li> <li>• damage to Council and other properties</li> <li>• displacement of large numbers of people</li> <li>• health risks</li> </ul> <p><b>b) Benefits &amp; opportunities:</b></p> <ul style="list-style-type: none"> <li>• Reduction in possible effects of such an event</li> <li>• Potential increase in property values</li> <li>• Decrease in insurance premiums</li> <li>• Increase amount of developable land</li> </ul>	4	3	12		<ul style="list-style-type: none"> <li>• Major Incident Plan prepared in conjunction with Environment Agency, Devon CC &amp; other district councils</li> <li>• Revised response team</li> <li>• Flood training provided</li> <li>• Emergency response measures in place</li> <li>• Environment Agency has raised height of flood barriers in Exwick &amp; detailed flood modelling of River Exe &amp; its tributaries</li> <li>• DEFRA funding to carry out flood alleviation work at Pinhoe</li> <li>• Considered in climate change risk plans</li> </ul>				
			4	3	12				
						<ul style="list-style-type: none"> <li>• 2016/17</li> </ul>	Engineering & Construction Manager	7b	↑

<b>7. Managerial/professional</b>									
<b>3. Industrial action</b>									
<b>a) Risks &amp; threats:</b>									
<ul style="list-style-type: none"> <li>• High level of staff absences in key areas</li> </ul>									
4	4	16	2	4	8				
						<ul style="list-style-type: none"> <li>• Business Continuity Plans for services in place</li> <li>• Protocol produced for dealing with industrial</li> </ul>			
						<ul style="list-style-type: none"> <li>• Review of BCPs to ensure robustness &amp; improve where necessary</li> <li>• Identification of priority</li> </ul>	Head of Human Resources	7 8	<b>New</b>



Exeter City Council Corporate Risk Register	Inherent Risk (impact x likelihood)		What has been done to control risks (i.e. countermeasures)	Residual Risk (impact x likelihood) & Risk Priority			What needs to be done to control risks	Target date(s)	Responsible officer/s	Strat Obj ref	Change
	I	L		Tot	I	L					
<b>Risks &amp; benefits</b>  <b>Consequences:</b> <ul style="list-style-type: none"> <li>inability to deliver essential services</li> <li>adverse effect on all service delivery</li> <li>increase pressure on remaining staff</li> <li>additional costs of providing cover</li> <li>diversion of staff to deal with emergencies</li> </ul> <b>b) Benefits &amp; opportunities:</b> <ul style="list-style-type: none"> <li>shows commitment to protect residents &amp; businesses</li> </ul>			action				services & measures to ensure support		SMT Heads of Service		

8. Financial	3. Replacement of council tax benefit		Established contact with software supplier to discuss issues	3	4	12	H	Attend appropriate networking events to discuss relevant issues	Sept & Oct 11	Head of Treasury Services	New
	a) Risks & threats:	Consequence:									
<b>a) Risks &amp; threats:</b> <ul style="list-style-type: none"> <li>Appropriate software not available within proposed timetable</li> <li>New scheme costs more than funding available</li> <li>Some current client groups disadvantaged by new scheme</li> <li>Very short timetable for introduction</li> </ul> <b>Consequence:</b> <ul style="list-style-type: none"> <li>Adverse publicity</li> </ul>			<ul style="list-style-type: none"> <li>Report to SMT &amp; Executive highlighting key issues</li> <li>Made formal response to initial consultation</li> </ul>					<ul style="list-style-type: none"> <li>Begin work on model scheme when published early 2012</li> </ul>	<ul style="list-style-type: none"> <li>Oct 11</li> <li>Jan 12 onwards</li> </ul>	<ul style="list-style-type: none"> <li>Benefits Manager</li> </ul>	

Exeter City Council Corporate Risk Register	Inherent Risk (impact x likelihood)		What has been done to control risks (i.e. countermeasures)	Residual Risk (impact x likelihood) & Risk Priority			What needs to be done to control risks	Target date(s)	Responsible officer/s	Strat Obj ref	Change	
	I	L		Tot	I	L						Tot
<b>Risks &amp; benefits</b> <ul style="list-style-type: none"> <li>Further savings required from other council budgets</li> </ul>												
<b>8. Planning appeals</b> <b>a) Risks &amp; threats:</b> <ul style="list-style-type: none"> <li>Significant award of costs against the Council</li> </ul> <b>Consequence:</b> <ul style="list-style-type: none"> <li>adverse effect on the Council's budget</li> <li>inability to meet targets &amp; standards</li> </ul>	4	4	16	4	2	8	<ul style="list-style-type: none"> <li>Officers advise Members if potential risk at Planning Committee</li> <li>Treatment of telecom applications amended following award</li> </ul>	<ul style="list-style-type: none"> <li>Active monitoring of officer reports &amp; appeals by Development Manager &amp; Planning Solicitor</li> <li>Involvement of members in any decisions to refuse</li> <li>Proceed to adoption of core strategy &amp; community infrastructure levy as soon as possible</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Head of Planning & Building Control	7 8	↑
<b>10. Localisation of business rates</b> <b>a) Risks &amp; threats:</b> <ul style="list-style-type: none"> <li>Uncertainty of future funding with possible reduction of funding</li> </ul> <b>Consequence:</b> <ul style="list-style-type: none"> <li>Further ongoing revenue savings required</li> </ul> <b>b) Benefits &amp; opportunities:</b> <ul style="list-style-type: none"> <li>New funding regime based upon localisation of business rates &amp; future growth presents additional funding opportunities</li> </ul>	4	2	8	4	2	8	<ul style="list-style-type: none"> <li>Commenced work on reviewing consultation papers</li> <li>Engaged external assistance to perform initial analysis of funding options</li> <li>Report to SMT &amp; Executive highlighted key issues</li> <li>Made formal response to consultation</li> </ul>	<ul style="list-style-type: none"> <li>Build into medium term financial plan as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Head of Treasury Services		<b>New</b>

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 23 NOVEMBER 2011

#### INTERNAL AUDIT WORK – 1st HALF-YEAR 2011/12

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise the Committee of the work undertaken by the Internal Audit Unit.

#### 2. BACKGROUND

- 2.1 This Committee is responsible for considering the work undertaken by Internal Audit as part of the overall probity checking and systems testing of the Council. The 2011/12 Audit Plan was approved at this Committee's 23 March 2011 meeting.

#### 3. WORK UNDERTAKEN

- 3.1 Internal Audit's objective is to examine the Council's financial and non-financial systems to check that there are adequate internal controls in place to prevent loss due to frauds, errors and inefficiency, and due attention is paid to corporate governance and risk management. A summary of the fundamental systems audits completed to date is provided below.

##### Findings

- 3.2 **Housing** - this audit is broken down into sub-systems, the areas audited were:

1) repairs and maintenance – four High and 12 Medium risks were reported, all but four of the recommendations were accepted. Based upon the testing and the response of management in accepting the recommendations, once the agreed controls have been introduced the system's internal controls will be satisfactory.

2) Business Plan Statistical Appendix (BPSA) and Housing Strategy Statistical Appendix (HSSA) 2011 Government returns – prior to submission, the returns were audited. Seven and 14 Medium risks respectively were reported, and all of the recommendations were accepted.

3) temporary accommodation rent write-offs – one High and two Medium risks were reported, all of the recommendations were accepted. Based upon the testing and the response of management in accepting the recommendations, once the agreed controls have been introduced this sub-system's internal controls will be good.

- 3.3 **Housing benefits** – this audit is broken down into sub-systems, the areas audited were:

1) overpayments of claims – two High and two Medium risks were reported, one High and one Medium recommendations were accepted. Based upon the testing and the response of management in accepting the recommendations, once the agreed controls have been introduced this sub-system's internal controls will remain good.

2) subsidy claim – the housing benefits subsidy claim for 2010/11 is over £43 million, therefore, even a 1% reduction (£430,000) in the payment due to erroneous data would have a significant financial affect on the Council. Accordingly, in addition to the checks undertaken by Benefits staff, quarterly audits are undertaken on samples of data input to check their accuracy and identify any ongoing problems so that they can be immediately addressed.

- 3.4 **Computers** – this audit is broken down into sub-systems. The area audited was systems security – 18 Medium and one High risks were reported, all but three of the recommendations were accepted. Based upon the testing and the response of management in accepting the recommendations, once the agreed controls have been introduced this sub-system’s internal controls will be good.
- 3.5 **Main accounting** – 2010/11 (part 2) – three Medium risks were identified, and all the recommendations were accepted. Based upon the testing and the response of management in accepting the recommendations, once the agreed controls have been introduced this system’s internal controls will remain good.
- 3.6 **Treasury management** – two Medium risks were identified, and both recommendations were accepted. Based upon the testing and the response of management in accepting the recommendations, once the agreed controls have been introduced this system’s internal controls will remain good.
- 3.7 **Information security** – there are various Government and legal requirements governing the use and holding of information, a prime example is the Data Protection Act. To address the potential risks, auditors are working with ICT staff and others to ensure that there are appropriate controls and processes in place to protect the Council against non-compliance.
- 3.8 **Annual Head of Audit Opinion** - The CIPFA *Code of Practice for Internal Audit in Local Government in the United Kingdom (2006)* requires that this annual report should be produced to assist the Council meet its obligations under regulation 4 of the *Accounts & Audit Regulations* and in producing the *Statement on Internal Control*. The annual report for the year ended 31 March 2011 is at Appendix 1
- 3.9 **Visit by the Shanghai Municipal Audit Bureau** – a delegation of six, lead by the Deputy Director General, visited the Civic Centre on 21 October to learn about auditing in the UK and Exeter’s auditing techniques. Shanghai is the finance centre and largest city of China. The Municipal area has a population of over 23 million, and the audit bureau 370 staff.

#### 4. **RECOMMENDATION**

- 4.1 That the Internal Audit Report for the 1<sup>st</sup> half-year of 2011/12 be received.

#### **HEAD OF AUDIT**

#### **CORPORATE SERVICES DIRECTORATE**

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

**Background papers used in compiling the report:**

**None**

## Annual report of the Head of Audit for the year ended 31 March 2011

### 1. Introduction

The CIPFA *Code of Practice for Internal Audit in Local Government in the United Kingdom* (2006) states that the Head of Audit should produce an annual report to assist the Council to meet its obligations under regulation 4 of the *Accounts and Audit Regulations* and in producing the *Statement on Internal Control*. The purpose of the annual report is to:

- give an opinion on the overall adequacy and effectiveness of the Council's control environment
- report any qualifications to the opinion together with details for any qualification
- present a summary of the audit work undertaken that supports the opinion including reliance placed on the work undertaken by other assurance bodies
- record any issues that are considered particularly relevant
- compare the audit work actually undertaken with that that was planned, and summarise performance against the Unit's performance measures and targets
- comment on compliance with the CIPFA standards and report the results of the Internal Audit quality assurance programme

### 2. Roles and Responsibilities

#### 2.1 Councillors and managers

Councillors and managers are responsible for ensuring that there is an adequate and effective system of internal control in operation by establishing, for example, appropriate policies and procedures including Financial Regulations and for monitoring to ensure they are complied with.

In accordance with the *Accounts and Audit Regulations 2006* the Council is responsible for maintaining an adequate and effective system of internal audit

#### 2.2 Internal Audit

The role and responsibilities/objectives of Internal Audit are to:

- a) review and assess:
  - the soundness, adequacy and reliability of financial, management and performance systems and data
  - the effectiveness of internal controls, and make recommendations to improve these where appropriate
  - procedures to check that the Council's assets and interests are adequately protected and risks are identified and effectively managed
- b) check for compliance with legislation, Council policies and procedures
- c) promote and assist the Council in the effective use of resources
- d) undertake independent investigations regarding allegations of fraud and irregularity in accordance with Council policies and procedures and relevant legislation

### **3. Opinion on the Council's Control Environment**

#### **3.1 Internal Control Statement**

It is the responsibility of senior management to establish an appropriate and sound system of internal control, and to monitor the effectiveness of these systems. It is the responsibility of the Head of Audit to provide an annual overall assessment of the robustness of the internal control system.

The main objectives of the internal control systems are to ensure:

- compliance with the Council's policies, procedures and directives in order to achieve the Council's objectives
- high standards of Corporate Governance are achieved and maintained throughout the Council
- that assets are safeguarded
- the relevance, reliability and integrity of information, and the completeness and accuracy of records
- compliance with statutory requirements, recognised standards and best practice.

Systems of control can only ever provide reasonable, but not absolute, assurance that control weaknesses and irregularities do not exist, and that there are no risks of material errors, losses, fraud or breaches of laws or regulations. The Council is therefore continually seeking to improve the effectiveness of its systems of internal control.

Internal Audit is charged with continually reviewing the system of internal control system on behalf of the Council and its management. Internal Audit objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. Internal Audit operates in accordance with the above CIPFA Code of Practice. The work of Internal Audit is based upon a risk assessment of the Council's financial and non-financial systems, from which an annual audit plan is established that is referred to the Scrutiny Resources Committee in March each year for approval.

#### **3.2 Basis of opinion**

My evaluation of the control environment is informed by a number of sources:

- the work undertaken by Internal Audit during the year to 31 March 2011
- reports issued by the External Auditors
- the review of the adequacy and effectiveness of the Council's system of internal control as it relates to corporate governance, risk management and quality of data arrangements

#### **3.3 Areas of concern**

As part of the audit process each area of concern was given a prioritisation classification of High, Medium or Low and reported to relevant managers as part of the final audit report. The main areas of concern that I wish to highlight are:

- a) the effects on the public sector of the recession and cuts in Government funding have been well publicised, as have been the significant reductions in staff resources. The danger is therefore that unless these processes are effectively managed, then systems of internal control and separation of duties will be significantly weakened resulting in likely increase in fraud, irregularities and errors
- b) Risk Management – there is an ongoing roll-out to the Council's services in order to embed risk management throughout the Council. The services identified in the initial roll-out programme are those considered high risk, particularly those that are public facing.

c) Business Continuity Management – the Council has established a BCM policy and procedures which are both published on the Council’s website. BCM is seen as a key system to enabling the Council and its services to recover should a major event occur and therefore it is included with the risk management roll-out

d) After the 31 March 2011, a matter relating to an outstanding insurance claim was identified. This was reported by Grant Thornton, the Council’s external auditors, to the Final Accounts Committee on 22 September 2011.

### **3.4 Opinion**

From the audit work undertaken during the year, and despite the areas of concern that I have identified above, I consider that the key systems are operating soundly and that there are no fundamental breakdowns of controls resulting in material discrepancy.

However, as mentioned above, as no system of control can provide absolute assurance against material loss, nor can Internal Audit give that assurance, this statement is only intended to provide an opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council’s internal control system in the year to 31 March 2011.

Edmund Heaton

Head of Audit

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 23 NOVEMBER 2011

#### CUSTOMER SERVICE CENTRE – SATURDAY OPENING TRIAL

#### 1. PURPOSE OF REPORT

This report provides members, as requested, with an early update on the trial opening of the Customer Service Centre on Saturday mornings.

#### 2. BACKGROUND

- 2.1 Following consultation with the Portfolio Holder for Human Resources and Business Transformation, staff within the Customer Service Centre (CSC) and their Union, a decision was taken to open the CSC on Saturday mornings from 10 September 2011 for a six-month trial in order to extend the availability of services to the public.
- 2.2 All services provided by the CSC during the normal working week are provided on a Saturday morning (between 9.30am and 12.30pm) both over the counter and on the telephones. This also gives an opportunity for the Council to use the facility to host special events/promotions/consultations.
- 2.3 For the duration of the trial, all staff in the CSC were offered the opportunity to work on a Saturday on a voluntary basis, being paid in either time off in lieu, or overtime. The majority of the staff have taken the time off in lieu option. For information, two-thirds of the staff within the CSC volunteered.
- 2.4 Publicity for this new initiative was given by way of a front page article in the Autumn edition of The Citizen, a media release and leaflets and posters within the CSC itself. Promotion of the facility continues with initiatives and information displays.

#### 3. FINDINGS TO DATE

- 3.1 At the time of writing the report, the CSC had been open for a total of 10 weeks, with the following table indicating the number of customers seen or calls answered each Saturday:

	Telephone			Face to Face		
	Received	Answered	Answer Rate (%)	Customer Casual Callers	Advisor	Total Seen
10/09/11	37	33	89.2	19	26	45
17/09/11	23	23	100	18	19	37
24/09/11	29	29	100	24	31	55
01/10/11	36	34	94.4	24	40	64
08/10/11	system error - no stats			14	19	33
15/10/11	34	33	97.1	19	24	43
22/10/11	27	26	96.3	24	31	55
29/10/11	39	39	100	13	35	48
05/11/11	31	29	93.5	17	19	36
12/11/11	21	20	95	17	23	40
<b>Average</b>	31					45

- 3.2 The table shows a relatively consistent number of customers using the CSC on a Saturday both by telephone and face to face. These numbers compare with a week day average over the same period of **410** face to face customers and **656** telephone customers over an 8 ½ hour opening period. The number of customers on a Saturday is therefore **31%** of the week day average for face to face customers and **13%** of the daily average for telephone customers.
- 3.3 To date there has been little additional expenditure incurred by the Council from Saturday opening as most of the staff have taken the time off in lieu option and there has been minimal additional heating and lighting costs.

#### **4. ISSUES TO BE CONSIDERED**

- 4.1 There is no doubt that the additional opening hours of the CSC is providing greater flexibility for the City's customers to interact with the Council on either a face to face or telephone basis.
- 4.2 The withdrawal of the County Council's residents' parking permit service from the CSC will have a significant impact on the workload of the Service. However, it also offers an opportunity to provide more City Council service delivery through the Centre and this forms part of the Vanguard review of all services to improve and simplify customer access.

#### **5 RECOMMENDATION**

- 5.1 That members note the report.

### **HEAD OF CORPORATE CUSTOMER SERVICES**

#### **CORPORATE SERVICES DIRECTORATE**

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

**Background papers used in compiling the report:**

None