



Exeter City Council

To the Chair and Members
of the Scrutiny Committee - Community

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AGENDA FOR
EXETER CITY COUNCIL
SCRUTINY COMMITTEE - COMMUNITY

The Scrutiny Committee - Community will meet on **TUESDAY 3 SEPTEMBER 2013**, commencing at **5.30 pm**, in the Rennes Room, Civic Centre, Paris Street, Exeter to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Howard Bassett, Democratic Services Officer (Committees) on **Exeter 265107**.

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

Pages

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

1 **APOLOGIES**

To receive apologies for absence from Committee members.

2 **MINUTES**

To sign the minutes of the meeting held on 28 May 2013.

3 **DECLARATION OF INTERESTS**

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

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

It is considered that the Committee would be unlikely to exclude the press and public during consideration of the items on this agenda, but if it should wish to do so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting 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 of Schedule 12A of the Act.

5 **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 Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (Committees) (01392 265115) also on the Council web site.

<http://www.exeter.gov.uk/scrutinyquestions>

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

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

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - COMMUNITY

7 **UPDATE ON THE IMPACT OF WELFARE REFORM ON THE COUNCIL AND
RESIDENTS**

To consider the report of the Assistant Director Business Transformation – *report circulated* 5 - 18

PERFORMANCE MONITORING

8 **HOUSING REVENUE ACCOUNT - BUDGET MONITORING TO JUNE 2013**

To consider the joint report of the Assistant Director Housing and Contracts and Acting Assistant Director Finance - *report circulated* 19 - 30

9 **COMMUNITY - BUDGET MONITORING TO JUNE 2013**

To consider the joint report of the Deputy Chief Executive and Acting Assistant Director Finance - *report circulated* 31 - 42

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

10 **ASSET MANAGEMENT REVIEW - HOUSING GARAGE SITES**

To consider the report of the Assistant Director Housing and Contracts – *report circulated* 43 - 46

11 **HOME ENERGY CONSERVATION REPORT AND ENERGY COMPANY OBLIGATION FUNDING**

To consider the report of the Assistant Director Environment – *report circulated* 47 - 56

12 **LOCAL AIR QUALITY MANAGEMENT AIR QUALITY ACTION PLAN 2011-2016 & 2013 AIR QUALITY PROGRESS REPORT**

To consider the report of the Assistant Director Environment – *report circulated* 57 - 62

PERFORMANCE MONITORING

13 **PARKWOOD LEISURE CENTRE CONTRACT**

Minutes of the meetings of the Parkwood Leisure Services Working Group of 3 June and 15 July 2013. 63 - 70

Members are asked to note that, in accordance with the Constitution and the responsibilities of the respective Portfolio Holders, the working group will in future report to Scrutiny Committee - Economy. Scrutiny Committee - Economy will also agree the membership of the working group.

14 **MINUTES OF THE DEVON AND CORNWALL POLICE AND CRIME PANEL**

The minutes of Devon and Cornwall Police and Crime Panel meetings are circulated after each meeting to Members of this Committee. Members are requested to confirm that they have no queries on the latest set of minutes circulated (those of 11 July 2013).

They are circulated in advance to enable Members to raise **before** Scrutiny Committee meetings, any issues of concern or interest which they may wish to have discussed at the Scrutiny Committee.

15 **WORK SCHEDULE PROGRAMME MEETING**

Work Schedule Programme Meeting 25 July 2013 - to consider the matters raised in relation to Scrutiny Committee - Community - *notes attached* 71 - 72

DATE OF NEXT MEETING

The next **Scrutiny Committee - Community** will be held on Tuesday 12 November 2013 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 Shiel (Chair), Mitchell (Deputy Chair), Bowkett, Branston, Bull, Choules, Clark, Crow, Macdonald, Morris, Mottram, Payne and Spackman

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 Democratic Services Officer (Committees) on (01392) 265107 for further information.

Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265111.



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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – COMMUNITY

3 SEPTEMBER 2013

Update on the Impact of Welfare Reform on the Council and Residents

1. Purpose of this report

- 1.1 This report seeks to inform Members on the impact of the Government's Welfare Reform and the associated reductions in welfare budgets, introduced in April 2013. This report provides an update to the verbal report presented to this Committee on 28 May 2013.

2. Background

- 2.1 This report contains updates on the following:
- Council Tax Support
 - Local Housing Allowance
 - Discretionary Housing Payments and social sector size criteria
 - Benefit Cap
 - Local Welfare Support
 - Downsizing
 - DWP Co-location
 - Single Fraud Investigation Service
 - Council Tax discount & exemption reform
 - Council Tax instalments
 - Universal Credit
 - Personal Independence Payments

3. Council Tax Support

- 3.1 Exeter's local scheme to replace Council Tax Benefit (CTB) came into effect on 1st April 2013. The main element of the scheme is a restriction on support for working age claimants, to a maximum of 80% of Council Tax liability.
- 3.2 In February, the Council wrote to all 5,839 working age customers who were affected. These targeted letters took into account each customer's particular circumstances rather than a standard communication; each letter gave an indication of how the customer would be affected and what we could do to help. This reflects the new way of working within the new System developed to help customers with their financial and housing problems.
- 3.3 57% of affected customers had previously been entitled to 100% Council Tax Benefit and so would not be used to paying anything towards their Council Tax.

- 3.4 13% of affected customers are also affected by the social sector size restriction.
- 3.5 69 affected customers already have multiple debts to the council (Council Tax, Rent and Housing Benefit arrears) with 16% of those also affected by the social sector size restriction.
- 3.6 When the annual Council Tax bills were issued in March, the Council included a leaflet, designed to promote to residents available discounts, disregards and exemptions and to encourage them to contact us as early as possible if they felt that they would find it challenging to pay their Council Tax.
- 3.7 Officers had been mindful of the possible impact of the new Scheme on Council Tax collection rates. However, at the end of first quarter, analysis shows no deficit in collection rates. The target for collection for the year is 96.5%. In the first quarter, 29.2% has been collected which indicates that if the current trend continues, the Council is likely to meet its target.
- 3.8 Of the customers referred to earlier in the report who had previously been in receipt of full Council Tax Benefit, 1,484 reminders were sent at the end of April to customers who had not yet made their first payment.
- 3.9 At the end of May, 758 final reminders were sent to the remaining non-payers in this group.
- 3.10 At the end of June, 502 still hadn't paid. They were written to, resulting in 110 customers contacting and being given a payment arrangement.
- 3.11 As at 9th July 2013, 392 still hadn't paid or made contact. Staff tried to contact as many of these customers as possible prior to issuing a summons, in an attempt to make payment arrangements and avoid extra costs. This proved successful, and reduced the 392 non-payers to 218 for which summonses were issued on 18th July 2013.
- 3.12 As at 9th July 2013, of the £953k due to be paid from this group for 2013-14, £208k (21.1%) had been paid.
- 3.13 The collection rate for ECC rents is similar to last year with rent arrears at around 1%.
- 3.14 Four awards from the Exceptional Hardship Fund (EHF) have been made at the end of quarter 1 totalling £163.00. Where awards have been turned down this has been because they were unwarranted (unrealistic expenditure items) or alternative solutions have been found utilising Discretionary Housing Payments (DHP) or Local Welfare Support (LWS). All requests went through the understanding process to follow the system review.

- 3.15 It could be some months before the full impact on Council Tax and rent collection is apparent, and to see if there is an increase in requests for awards from the Exceptional Hardship Fund.
- 3.16 ECC is continuing to work with the rest of Devon evaluating this year's scheme & exploring future year minor administrative changes that can be made to make the scheme less complex.
- 3.17 No legal challenges or appeals have been received on the scheme or process so far. No negative feedback has been received from equality groups.
- 3.18 The current Scheme is only valid to March 2014. Full Council approval will be sought in December 2013, for the Scheme to run from April 2014. Should Council be minded to alter the Scheme, other than minor administrative changes, officers will be required to commence a 6-week public consultation. A separate report is being prepared for submission to Executive and Council.

4. Local Housing Allowance

- 4.1 From 1 April 2013, Local Housing Allowance (LHA) rates have been up-rated by 2.2% using the September 2012 Consumer Price Index. In real terms, the LHA rates for the Exeter area remained the same as 2012/13, except for the shared room rate that decreased from £73.42 to £70.77.
- 4.2 From April 2013, although Discretionary Housing Payment (DHP) requests are significant, there is no increase in demand for DHPs that can be attributed to this aspect of Welfare Reform alone.

5. Discretionary Housing Payments (DHP)

- 5.1 DHP has been given a central role in the implementation of many strands of Welfare Reform. The national pot has been increased from £20m in 2010/11 to £155m in 2013/14; £95m of this increase has been available from April 2013. Exeter City Council's allocation has more than doubled from £103,758 in 2012 to £219,021 in 2013.
- 5.2 The extra funds have been added to the pot to meet hardship caused by specific changes to the benefit system. DWP have identified the split as follows:
- £20m baseline funding;
 - £40m for changes to LHA rules (30th percentile, 4 bedroom cap, under 35s etc);
 - £30m for the introduction of size criteria in social rented homes; and
 - £65m for the Household Benefit Cap.
- 5.3 The distribution methodology differs for each strand of funding and LAs have not been told how much they should be spending in each of those

areas. From what we do know, an approximate split of this Council's expenditure for this year is:

- £45,000 baseline spending;
- £91,000 for changes to LHA rules (30th percentile, 4 bedroom cap, under 35s etc);
- £68,000 for the introduction of size criteria in social rented homes; and
- £15,000 for the Household Benefit Cap.

5.4 In 2012/13, a total of 362 awards were made at a total cost of £99,802, or 30 claims per month at a cost of £8,317.

5.5 Size Criteria

Around 800 HB claimants were written to in November 2012, giving advance warning that they were facing a reduced award from April as they had too many bedrooms in their home. To date, 118 of those affected have applied for DHP to help with the reduction at a cost for the year so far of £36,300.

5.6 A significant amount of Senior Assessor time has been spent dealing with these applications, working closely with landlord and other support agencies. Where claims have highlighted other issues, for example the presence of overnight carers, these have been pursued to avoid the need for a DHP award.

5.7 Where awards have been made, some have been for the whole financial year where it was determined that there was no prospect of circumstances improving. Others were paid for shorter periods of three or six months to allow customers to review their circumstances or secure smaller accommodation. It is likely that many of these customers will reapply for a further award in the next few months. Officers are also aware that there are likely to be other affected residents who have not engaged with the Council but may do so once their arrears start to build.

5.8 Benefit Cap

Implementation was delayed from April to 15 July. Work has started to identify where DHP spend is needed to support these customers. Numbers are small, but cases are proving to be complex and labour intensive and a dedicated member of staff has been allocated to work with these customers to find sustainable solutions.

5.9 General Welfare Reforms

Volumes of "normal" DHP applications remain similar to the same period last year. We continue to see high demand for lump sum awards to help with costs of moving.

5.10 Paying Discretionary Housing Payments (DHPs) to cover Rent Deposits

Exeter City Council has been using DHP to cover rent deposits for Housing Benefit claimants since 2010. In 2012/13, over 60% of this fund was used to pay rent deposits. As the Fund is put under increasing pressure due to welfare reforms, work is being done to consider whether there are other methods of achieving the same outcome.

5.11 Reasons for Paying Deposits

Moving house is an expensive operation, particularly for families with large amounts of belongings. Finding a deposit and one month's rent in advance, in addition to removal costs is challenging for residents in receipt of Benefits with a limited amount of disposable income. Changes to Housing Benefit and other Welfare Reforms are making existing properties unaffordable for some. Where Housing Benefit is not meeting the full rent charge, tenants are left with a choice of meeting the shortfall, accruing arrears or moving to cheaper accommodation. We have been using DHP as a way of supporting people to move from unaffordable accommodation into that which can be sustained on their current Benefit levels.

5.12 DHP 2013 Quarter 1 data:

DHP - Rent Costs	
DHP Budget	£219,021
DHP Paid	£37,519
Number of Awards	175
DHP Committed	£27,085
DHP Remaining	£154,417

6. Benefit Cap

6.1 The Household Benefit Cap introduces a total maximum amount that can be claimed in all Benefits for non- working families. The threshold has been set at the median net earnings for working age households which is:

- £500 per week for couples and lone parent households
- A lower rate of £350 per week for single adult households.

6.2 The policy includes:

- A 39 week 'grace period' where claimants who lose their employment through no fault of their own are not subject to the Cap
- Families entitled to Disability Living Allowance are exempt from the Cap.

6.3 Affected cases are identified by DWP and notified to Local Authorities. The Cap is applied by reducing Housing Benefit awards. Implementation was delayed but went live on 15 July 2013. Rollout will

now be phased with a small number of cases being notified to the Council daily, until the end of September 2013, when all affected cases will have had the Cap applied.

6.4 The Impact in Exeter

The DWP have been sending reports of affected cases every couple of months; the last one was received in May. The table below illustrates the impact.

6.5

May 2013 data scan					
Tenure type	Cases affected	Weekly loss (adjusted)	Average weekly loss	Maximum weekly loss	Minimum weekly loss
Council Tenant	6	£442.96	£73.83	£94.44	£24.53
Council Tenant (Non-HRA)	6	£491.05	£81.84	£301.93	£2.76
Housing Assoc.	9	£652.35	£72.48	£115.68	£6.46
Private Tenant - Dereg new scheme	1	£48.39	£48.39	£48.39	£48.39
Private Tenant - LHA	8	£769.32	£96.17	£216.60	£13.89
Grand Total	30	£2,404.07	£80.14	£301.93	£2.76

6.6 Assuming an even spread of cases transferring between 15 July and end September 2013, the total loss to these HB claimants for the financial year 2013/14 would be £83,649.83.

6.7 Changes to Cases Affected

Exeter Jobcentre has a team of staff focused on helping affected customers make the move into work. This work is ongoing with existing and new cases as they arise. There is also a natural churn of cases that join or leave the list of those affected. Cases stop being affected for a variety of reasons:

- vacated out of area
- started work
- household changes reducing benefit income
- moved out of temporary accommodation into council housing
- disability benefit awarded

6.8 Analysis shows that 42% of affected cases leave the list in the space of seven weeks. There is no way to know how many claims may have become newly affected during the same period. Until there is any evidence of this new policy driving changes in claimant behaviour, it would seem reasonable to assume a similar number join the list as leave it.

6.9 Nature of claims affected

Apart from short term cases, there were seven claims that were on the original list sent in April 2012, and remained affected as at 2 May 2013. It appears therefore that the affected cases fall into two broad categories:

1. Short term affected
2. Long term affected

6.10 It would seem likely that these two distinct groups will have very different underlying issues and will require different approaches to manage the impact.

6.11 *1. Short term affected*

Given the high churn rate shown above we are likely to see a much higher number of cases being affected at some point during the year, compared to the snapshot total of around 40 cases. If the churn rate is consistent that could add up to 160 cases during the year. These cases will have to be looked at, HB entitlement reassessed and any extra support provided evaluated when they join the list, when they leave the list and every time they have a material change while they are on the list.

6.12 *2. Long term affected*

Of the seven claims that have been affected for over a year:

- Five are single parent households,
- None have worked within five years of the cap applying,
- Four have not worked in the history of their HB claim,
- Households have an average of five dependant children (between 4 and 7),
- Three live in social housing and four in private rented
- They have been in receipt of HB for an average of 12.8 years
- They have been out of work receiving HB for an average of 9.5 years

6.13 Using DHP to Assist Affected Cases

If the full shortfall for all affected claims was to be met with DHP that cost would be £83,649.83, equating to 38% of the full DHP budget for this financial year. DHP is likely to have a role to play for both groups, albeit in a different way.

6.14 For short term cases DHP can be used to give a claimant time to adjust their budget to cope or to change their circumstances such that the cap no longer applies. This could mean topping claims up while:

- Debt / budgeting advice is sought and plans put in place
- Disability benefit claims are assessed
- Move on from expensive temporary accommodation
- Planned household changes take place
- Claimant / partner looks for work

6.15 In these cases it is important to work closely with the claimant to ensure that the award of a DHP is not a disincentive for the claimant to

take the required actions. It is likely that awards will be short term and at a reducing rate to help encourage the claimant to pursue the identified longer term solution.

- 6.16 For long term cases it is less likely that there will be an imminent change to take the household out of the scope of the benefit cap. The annual shortfall for the seven long term cases would be £36,758.28 so full, long term DHP may not be a feasible option. Close attention will have to be given to the opportunity these households will have to improve their situation. Consideration will also have to be given to the costs to the public purse if the household is not supported with DHP. Somebody needs to work with these claimants to explore the issues preventing the household from escaping the cap, hence the allocation of at least one dedicated member of staff within the customer advice team.

7. Local Welfare Support (LWS)

- 7.1 From 1 April 2013, two elements of the national Social Fund (Community Care Grants and Crisis Loans for living expenses) were abolished. A reduced amount of funding was passed to upper tier and unitary authorities to devise local schemes to provide welfare support. This is a two year interim arrangement; longer term funding is unlikely.
- 7.2 In Devon, funding and responsibility for delivery has been passed down to district level through an agreement between Devon County Council and the district authorities. The agreement contains broad principle for the scheme and details three key outcomes which the funding must support:
- Increase self reliance and resilience
 - Quick and effective support for those with high priority short term needs
 - Help for people to establish themselves in, or remain in, the community
- 7.3 We have tried to integrate LWS within existing services rather than create a new service with its associated administration.

7.4 Early Findings

As we do not classify approaches as being specifically for LWS, it is not possible to identify how many additional customer interactions have resulted from the introduction of this new function. We have been able to record numbers who have been helped from the extra funding, which of the services are being used, cost of support provided and the outcomes being supported.

- 7.5 Observations in the first few days showed that a large number of approaches were from people directed by national DWP advice lines looking to access the “new crisis loans”. Once it was made clear that

there was no cash loan or grant available much of this demand has stopped.

- 7.6 Many approaches were (and still are) from people who have been left with no money due to breaks in their DWP benefit payment. This may be because they are moving from one benefit to another, their benefit has been stopped temporarily or new claims haven't been decided yet. Meetings have taken place between our team and officers and managers at Exeter Jobcentre, in part to help their teams understand our scheme and also for us to understand their benefit application process, payment patterns, hardship payments and Short Term Benefit Advances (one of the elements of Social Fund retained by DWP).
- 7.7 The majority of demand has been from customers with a short term emergency need. We have had relatively few approaches from customers or representatives with need for debt or budgeting advice. Most approaches for short term need are from people who cannot budget because they have no income at that point in time.
- 7.8 Increasingly we are being asked for help with more varied problems including travel to either get home or for family emergencies and costs associated with moving house (removal costs, rent in advance etc.)

7.9

Quarter 1	Values	
Support type	Count	Cost
Co-op voucher	100	£1,305.00
White goods	38	£8,914.00
Food bank	63	£0.00
Travel warrants	7	£0.00
Other	28	£2,304.87
Utility top up	56	£855.00
Sainsbury	6	£129.56
Turntable	17	£1,130.00
Grand Total	315	£14,638.43

8. Downsizing

- 8.1 We have seen 81 new Home Choice applications from under-occupying tenants in so far this year, as compared to 77 in the whole of 2012.
- 8.2 52 Council and Housing Association tenants have downsized in the last 12 months; this figure does not include those that have downsized independently of any initial downsizing support.
- 8.3 In the last 12 months we have let 407 general needs properties overall with 164 of those being 1 bedroom properties.

- 8.4 We also let an additional 56 sheltered properties with 50 of those being 1 bedroom. Virtually all 1 and 2 bed properties are advertised as priority for downsizers except those which are adapted and therefore are targeted at those applicants who require those adaptations.
- 8.5 There are 201 applicants on Devon Home Choice (out of 750 social housing tenants in Exeter impacted overall by Social Sector Size restrictions) who are highly prioritised as downsizers from both City Council and Housing Associations properties in Exeter. However 45% of these applicants have never bid on a property, we have contacted these tenants and the main reason for not bidding is that they have not seen any properties in their required part of the city.
- 8.6 We are integrating the mutual exchange system with Devon Home Choice to simplify the opportunity to swap tenancies.
- 8.7 Of the 348 current council tenants impacted by Social Sector Size Restriction:
- 168 cases are in arrears
 - 115 have gone into first arrears date after 14th April
 - 53 were in arrears before April
 - 28 are less than £20 in arrears
- 8.8 33 are in receipt of Discretionary Housing Payment which is being paid to acknowledge they would find it particularly difficult to find an alternative smaller property (need for adaptations etc).
- 8.9 Executive approved the new downsizing policy on 18 June. This removes many of the financial incentives and replaces them with a temporary (12 month) full-time post to help people downsize. The Council advertises all its 1 and 2 bed non-adapted homes as priorities for downsizing through Devon Home Choice, and all downsizing applicants are placed in Band B for High Needs.

9. DWP Co-location

- 9.1 From November 2012 we have created a benefits and housing advisor presence at Exeter Job Centre Plus offices. This role is currently on a part-time basis but will soon extend to full-time to deal with housing, homeless, Housing Benefit and Council Tax Support needs.

9.2

Data gather period 24.06.2013 to 19.07.2013	
Customers helped	148
Benefit enquiry	129
Housing enquiry	52
HB assessments completed	23

- 9.3 The purpose of this role is to extend our support service at the point of demand within the Job Centre. Many customers who visit the Job Centre also have housing and local benefits needs and enquiries. Our presence ensures that direct support, advice and signposting to other services is given at source to prevent customer situations escalating and minimising the secondary demand at the Customer Service Centre. The advisor has access to an ECC computer terminal and is able to update customer records, effect referrals to relevant service areas, assess Housing Benefit claims, Council Tax Support claims and changes of circumstance, providing an efficient real-time service.

10. Council Tax Discount and Exemption Reform

- 10.1 The Council was able to set local discounts from April 2013, for certain categories. These were agreed by Executive on 20.11.2012.
- 10.2 They affected Second Homes, Long Term Empties, uninhabitable properties and empty and unfurnished properties.
- 10.3 The anticipated revenue generated for 2013/14 from this reform is £317k.
- 10.4 The Council can amend these discounts yearly, and further information will be included in the report being submitted regarding the local Council Tax Support Scheme for 2014-15.

11. Council Tax Instalments

- 11.1 From April 2013 the statutory instalment scheme has been revised to allow a charge payer the option to request paying their Council Tax liability over 12 months instead of 10. At annual billing 2,680 accounts had been set up for 12 monthly instalments; ECC has now applied this change to 3,311 Council Tax accounts as at 9 July 2013 (over 6% of Council Tax accounts in Exeter). This option is a valuable tool being utilised alongside other budgeting support within the system review to help customers who are experiencing financial difficulty.

12. Universal Credit

- 12.1 Universal Credit (UC) will replace the following national welfare benefits:
- Housing Benefit, which is currently administered and paid by ECC
 - Jobseeker's Allowance (Income-Based), Employment and Support Allowance (Income-Related), Income Support, Working Tax Credit and Child Tax Credit – all currently administered and paid by DWP & HMRC.

- 12.2 DWP has advised that from October 2013, UC claims will be phased in across all DWP geographical groups and districts, with all existing welfare benefit claims migrated by the end of 2017. DWP have not provided any detail of which districts will be affected first. Local communication with Devon DWP contacts suggests that ECC's existing Housing Benefit claims will start to be transferred to Universal Credit from April 2014.
- 12.3 Early rollout of Universal Credit, known as Pathfinder, started in some areas of Greater Manchester and Cheshire from April 2013, and will be progressively rolled out nationally from October 2013. On Thursday 28 March, the Department for Work and Pensions (DWP) announced the initial rollout to just a single site in Ashton-under-Lyne with other pilot areas (Wigan, Warrington and Oldham) taking claims for Universal Credit beginning in July 2013. Previous communications from the DWP have suggested that the first claims within the Pathfinder will not include housing costs. Housing Benefit is the current national scheme (under legislation). Universal Credit will incorporate several welfare benefits including HB, but the element paid under UC will be known as a housing cost.
- 12.4 It is proposed that this Committee agrees to receive at its next meeting, a report on the potential impact on the Council of Universal Credit.

13. Personal Independence Payments

- 13.1 From 10th June 2013 Personal Independence Payments (PIP) replaced Disability Living Allowance (DLA) nationally for all new claimants aged 16 to 64 years. Anyone already in receipt of DLA will be assessed for PIP if they report a change in their condition on or after 7th October 2013. Anyone still receiving DLA in October 2015 will be invited to claim PIP. The Department for Work and Pensions (DWP) have stated in recent communications that most people currently claiming DLA will not be affected until October 2015.
- 13.2 PIP will predominantly be claimed by phone & will be assessed to determine long-term health conditions or disability & will take account of daily living difficulties and /or mobility difficulties. Assessments will be carried out usually face-to-face by an independent health professional appointed by DWP. Assessments will be reviewed regularly to ensure applicants are receiving the appropriate level of support.
- 13.3 The current rates of PIP are the same as DLA; however the lower care component of DLA has been abolished. PIP will usually be paid every 4 weeks; this is the same as DLA currently.
- 13.4 The underlying concern expressed by many welfare rights organisations & disability support groups is that people who are currently receiving the lower rate of care under DLA will no longer be entitled to any support under PIP rules. Not only could this have an

impact on weekly income, but will also have a knock-on effect to eligibility to other benefits.

- 13.5 This could affect Exeter residents. For example, currently a single adult receiving DLA low care together with Housing Benefit (HB) and Council Tax Support (CTS) from ECC will have a more generous calculation of their applicable amount (needs) towards their HB & CTS entitlement. If they no longer qualify for PIP at the standard rate after assessment there will be no recognition of their disability through income received and HB & CTS entitlement will go down. Both DLA and PIP income is fully disregarded in the calculation of HB & CTS.
- 13.6 The impact of not receiving PIP after receiving DLA can also impact on other benefits and services received such as council tax discounts, exemption from the benefit cap, disregard of non-dependents in HB & CTS, disabled facilities grants, blue badge, concessionary travel and local discounted leisure access.
- 13.7 In Exeter, from a total working age HB & CTS caseload of 7,285¹ the breakdown of people receiving DLA is as follows:

13.8

Claim type (working age cases only)	Number of cases total	Number of cases in receipt of DLA
Housing Benefit only	1,967	396
Council Tax Support only	533	131
Both Housing Benefit & Council Tax Support	4,785	1,160

- 13.9 It can be assumed that a number of these current claims under DLA will have their HB and/or CTS entitlement reduced or ended if they do not successfully transfer to PIP.
- 13.10 The full impact of this change may not be apparent until more existing claimants change from DLA to PIP in 2015. People in Exeter who are affected may receive help via Discretionary Housing Payment and/or Exceptional Hardship Fund, but will still need to have an entitlement to HB & CTS respectively.

14. Conclusion

- 14.1 Figures from the first quarter since the Welfare Reform changes were introduced do not indicate a significant impact, however future data will be closely monitored in order to gauge any negative impact.
- 14.2 There is however a significant impact on staff resources in the System through working proactively and providing support to individuals affected by the changes. This approach reflects the principles of

¹ ECC caseload data @ July 2013

working in the new System, by understanding the underlying issues that customers present with, and advising on the most appropriate means of support.

15. RECOMMENDATION

- 15.1 That Members note the contents of this report and agree to receive further update reports at future meetings including a report on the potential impact on the Council of the introduction of Universal Credit.

BINDU ARJOON
ASSISTANT DIRECTOR BUSINESS TRANSFORMATION

ORIGINATOR:

LAURA FRICKER
INTERIM LEAD, HELP ME WITH MY FINANCIAL/HOUSING PROBLEM SYSTEM

Background papers used in this report: none

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 3 SEPTEMBER 2013

HOUSING REVENUE ACCOUNT BUDGET MONITORING TO JUNE 2013

1. PURPOSE OF REPORT

1.1 REVENUE BUDGET MONITORING

To advise Members of any major differences, by management unit, between the original budget and the outturn forecast for the first three months of the financial year up to 30 June 2013 in respect of the Housing Revenue Account and the Council's new build schemes.

1.2 CAPITAL BUDGET MONITORING

Budget monitoring updates in respect of the HRA Capital Programme are now incorporated into this report in order to improve financial reporting to this Committee and help to provide a more comprehensive financial update in respect of the Housing Revenue Account.

1.3 AREAS OF BUDGETARY RISK

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring, by officers.

2. REVENUE BUDGET MONITORING TO JUNE 2013

Self-financing enables each stock owning local authority to retain their own income collected from rents, service charges and other sources at a local level to deliver housing services to tenants and to maintain their housing stock. Under self-financing it is anticipated that local authorities will achieve a surplus each financial year, which will help facilitate service improvements, repay debt and to provide investment in the stock.

2.1 PROJECTED SURPLUS / DEFICIT

During this period the total budget variances indicate that there will be a net surplus of £583,238 in 2013-14. This represents a decrease of £1,128,922 when compared to the original budgeted surplus of £1,712,160 for 2013-14.

This reduction is predominantly due to Executive approval of building the next phase of social housing, COB Wave 2, and Executive approval for the purchase of flats at Dean Clarke House for use as social housing, both of which will be fully financed by the HRA and are explained in more detail below.

It is estimated that the working balance will stand at £6,873,535 at 31 March 2014.

2.2 VARIANCES FROM BUDGET AS AT JUNE 2013

The main variations by management unit are detailed below. Please also refer to Appendix 1.

£

2013-2014 ESTIMATED TRANSFER TO THE WORKING BALANCE (1,712,160)

85A1 MANAGEMENT 52,424

The forecast overspend in respect of HRA management reflects a review of staff time allocations from the Strategic Housing Service in accordance with proper accounting practices, which has resulted in a transfer of costs from the General Fund of £82,304.

Following a review of duties performed by officers within the Strategic Housing Service it was identified that a greater proportion of their time relates specifically to the HRA including; the development of new council housing, system review work, dealing with complaints and short-listing for empty council housing.

A corresponding saving in the cost of the Strategic Housing Service is therefore shown within the Community budget monitoring report, which is also presented to this committee.

Staff time allocations will continue to be monitored in order to ensure that costs are fairly apportioned between the HRA and General Fund, which may result in costs being transferred back to the General Fund in future financial years.

Savings resulting from a frozen Neighbourhood Manager post will help to partially offset this overspend, as recruitment to this post is pending the outcomes of a systems review.

85A3 SUNDRY LANDS MAINTENANCE 0

There are no overall variances from budget to report in respect of this management unit.

85A4 REPAIRS FUND CONTRIBUTION 1,049,908

The forecast overspend in this management unit is predominantly due to the additional revenue contribution to capital which will be required to finance the 2013-14 HRA Capital Programme.

COB Wave 2

On 5 February Executive approved an increase of £7.5 million to the HRA Capital Programme in respect of the next phase of building new council homes, COB Wave 2. The four sites are; Newport Road, Rennes House car park, Bennett Square and Whipton Methodist Church.

Based upon the latest cash-flow projections, it is anticipated that expenditure of £2,054,880 will be incurred during this financial year in respect of the four sites, which is planned to be financed by a £554,880 increased revenue contribution to capital and £1,500,000 from useable capital receipts.

Flats at Dean Clarke House

On 18 September 2012 Executive approved the purchase of five flats at Dean Clarke House at a cost of £212,550. These

were originally intended to be purchased in 2012-13 but a change of site ownership and subsequent planning amendments have led to delays with completion now expected in February/March 2014. The required revenue contribution to finance their acquisition has also reduced by £42,522 following Section 106 negotiations with the new owners, as four flats will now be purchased for £170,028 with the Council receiving a commuted sum of £112,001 instead.

Repairs and Maintenance Programme

In addition to making a revenue contribution to capital, this management unit also provides for the cost of annual repairs and maintenance to council dwellings.

Executive approval to carry forward £150,000 from 2012-13 is being sought for monies unspent last financial year in respect of the low maintenance and painting of flats programme. Unfortunately, it was not possible to complete the scheme of works to replace shed and out-house doors for tenants of flats as changes had to be made by the door manufacturer.

Repairs to Empty Properties

A £300,000 overspend is forecast in respect of repairs to empty properties following a change to the Void Standard. The Void Standard has resulted in properties being returned to a much higher standard prior to re-letting and this in turn has led to higher average costs per property and a longer turnaround time. It is proposed that a separate options report will be prepared for Scrutiny Committee – Community on 12 November and to Executive on 26 November to deal with this overspend and consider the future level of works to void properties.

Electrical Testing / Repairs

Savings of £125,000 are projected in respect of electrical testing and remedial repairs. It is not anticipated that any electrical tests will need to be instructed in respect of dwellings, as properties requiring re-wires are being identified by the kitchen and bathroom replacement contractors and also by property inspections by Technical Officers. Fewer remedial electrical repairs are also forecast as a result of the extent of electrical work being undertaken as part of the HRA Capital Programme.

85A6 CAPITAL CHARGES	This management unit bears the depreciation charge for HRA assets; dwellings, garages, IT software, vehicles, plant and equipment. Under self-financing each housing local authority is required to set aside an amount equivalent to depreciation into the Major Repairs Reserve, as this should reflect the level of expenditure required to maintain assets in a stable condition. The balance held on the Major Repairs Reserve is then available to cover the cost of future programmes of work or to repay debt. For 2013-14 the depreciation charge in respect of council dwellings is £2,167,760 which is £26,590 higher than budgeted due to changes in the asset valuation of the stock.	26,590
85A8 RENTS	No deviations from budgeted are projected in respect of rental income, at this stage. However, rental income for the first 12 weeks of the financial year is slightly behind profile and is therefore highlighted as an area of potential budgetary risk later in this report. It is anticipated that planned social housing acquisitions, collection of rental income during the two rent free fortnights and continued convergence to guideline rent levels upon a change of tenancy will each help return rental income to budgeted levels over the remainder of the financial year.	0
85B2 INTEREST	There are no overall variances from budget to report in respect of this management unit.	0
2013-2014 1st QUARTER FORECAST TRANSFER TO THE WORKING BALANCE		(583,238)
3.	COUNCIL OWN BUILD (COB) BUDGET MONITORING TO JUNE 2013 The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.	
3.1	COB WORKING BALANCE During this period the total budget variances indicate that there will be a net surplus of £30,390 achieved in 2013-2014, which will be transferred to the COB working balance. This represents a decrease of £3,680 compared to the budgeted transfer to the working balance of £34,070. It is estimated that the working balance will stand at £103,888 at 31 March 2014.	
3.2	The main variations are detailed below, please also refer to Appendix 1:	
		£
	2013-2014 ESTIMATED TRANSFER TO THE WORKING BALANCE	(34,070)
85B5 COB INCOME AND EXPENDITURE		3,680

Significant works have been required to resolve water penetration issues in the wet room of 15 Knights Place, which has resulted in the property being un-tenanted since the beginning of the financial year. A forecast reduction in rental income of £5,000 is therefore projected. The cost of resolving issues at Knights Place will be claimed from the main contractor and there may also be scope to recover lost rental income.

This reduction in income has been partially offset by a reduction in the depreciation charge attributable to the council own properties.

2013-2014 1st QUARTER FORECAST TRANSFER TO THE WORKING BALANCE (30,390)

4. CAPITAL BUDGET MONITORING TO JUNE 2013

To report the current position in respect of the Housing Revenue Account Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

4.1 REVISIONS TO THE HRA CAPITAL PROGRAMME

The 2013-14 HRA Capital Programme was approved by Council on 26 February 2013. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval / Funding
HRA Capital Programme	9,090,030	
Budgets carried forward from 2012-13 HRA Capital Programme	523,820	Executive 9 April 2013 & Executive 1 July 2013
Acquisition of Social Housing – 1 Elaine Close	136,550	Delegated powers 14 February 2013
COB Wave 2	2,062,260	Executive 5 February 2013
Structural Repairs	120,000	Executive 1 July 2013
Energy Conservation	19,020	Secured external grant funding
Revised HRA Capital Programme	11,951,680	

4.2 PERFORMANCE

The current HRA Capital Programme is detailed in Appendix 2. The appendix shows a total forecast spend of £10,704,158 in 2013-14 with £1,190,000 of the programme expected to be deferred until 2014-15. Below are explanations for the main variations from the approved programme:

- Smoke Detector Replacements (Budget £400,000)**

The replacement of smoke detectors in council dwellings is to form part of the gas installation servicing contract, which is due to be re-tendered in September 2013. It is hoped that the successful contractor will commence works in October/November, so that efficiency gains can be made from the contractor replacing smoke detectors in properties that also require gas installations to be serviced in one visit.

The in-house electricians will continue to test and replace smoke detectors in the interim and once the gas contractor is appointed they will revert to replacing smoke detectors in the 400 council properties that do not have gas.

It is anticipated that £200,000 of the budget will need to be carried forward into next financial year.

- Acquisition of Social Housing (Budget £848,900)**
 This budget includes £212,550 for the acquisition of 5 flats at Dean Clarke House for use as social housing. As explained earlier in this report, there has been a change of site ownership and subsequent planning amendments, which has resulted in a change to the Section 106 agreement. The Council is now due to purchase 4 flats for £170,028 and receive a commuted sum of £112,001 for 1 off site. This has resulted in a saving of £42,522 against the approved capital budget.
- Rennes House Structural Works (Budget £1,000,000) and Rennes House Scooter Store (Budget £15,000)**
 The proposed structural works at Rennes House have been integrated into the Council Own Build re-development plans for the Rennes House car park and a new project group has been set up to consider a site-wide solution.

The procurement of the proposed structural works have therefore been put on hold pending the outcome of a options appraisal exercise to determine the optimum long-term provision of social housing on the site. It is anticipated that by September 2013 there will be a defined project brief which will enable the Council to progress works in respect of this site.

Minimal capital expenditure is anticipated for 2013-14 and therefore £990,000 of the budget will be deferred to future years and re-profiled along with the £850,000 set aside in 2014-15 for the structural works. The provision of a scooter store at Rennes House is also reported as a saving, due to the uncertainties of its future use.

5. AREAS OF BUDGETARY RISK

Although no budget variances are being reported at this stage, a number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	Approved Budget	Risk
General Maintenance	£1,530,000 (revenue)	Expenditure is dependent upon the number of repairs reported by tenants and can fluctuate significantly between financial years
Rental Income from Dwellings	£18,140,000 (revenue)	Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income.
Kitchen Replacement Programme	£2,297,830 (capital)	The number of kitchens which can be replaced within approved budgets may vary dependent upon the cost of associated works such as electrical repairs and re-plastering, which varies per property. For 2013-14 it is currently forecast that 499 kitchens will be replaced.
Bathroom Replacement Programme	£867,990 (capital)	The number of bathrooms which can be replaced within approved budgets may vary

		dependent upon the cost of associated works such as re-plastering, which varies per property. For 2013-14 it is currently forecast that 322 bathrooms will be replaced.
Electrical Re-wires	£460,000 (capital)	The number of electrical re-wires identified during the year is currently affected by those referred from the kitchen and bathroom replacement programmes. Once identified the works are required to be completed in accordance with Health & Safety regulations

These areas of financial risk will be closely monitored and any projected deviations from budget identified in between the quarterly budget monitoring reports to this committee will be brought to the attention of the Strategic Management Team and Portfolio Holder for Housing for consideration.

6. **RECOMMENDATION**

6.1 That the Scrutiny Committee – Community note the content of this report

ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling this report:

None

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2013-14

APPENDIX 1

APRIL 2013 TO JUNE 2013

Code	Approved Annual Budget	Current Outturn Forecast	Variance To Budget
	£	£	£
85A1 Management	2,758,140	2,810,564	52,424
85A3 Sundry Lands Maintenance	265,330	265,330	-
85A4 Repairs Fund Contribution	9,766,710	10,816,618	1,049,908
85A6 Capital Charges	2,186,900	2,213,490	26,590
85A8 Rents	18,624,000	18,624,000	-
85B2 Interest	1,934,760	1,934,760	-
85B4 Variance in Working Balance	1,712,160	583,238	1,128,922
Net Expenditure	-	-	-
Working Balance	£6,290,297	£6,873,535	£6,873,535

COUNCIL OWN BUILD SITES

Code	Approved Annual Budget	Current Outturn Forecast	Variance To Budget
	£	£	£
H006 Rowan House	6,260	6,260	-
H007 Knights Place	45,620	40,620	5,000
H008 Interest	7,530	7,530	-
H009 Capital Charges	10,280	8,960	1,320
Variance in Working Balance	34,070	30,390	3,680
Working Balance	£73,498	£103,888	£103,888

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**2013-14
CAPITAL MONITORING TO 30 JUNE 2013**

	2013-14 Capital Programme	2013-14 Spend	2013-14 Forecast Spend	2013-14 Budget to be Carried Forward to Future Years	2013-14 Programme Variances Under
	£	£	£	£	£
HRA CAPITAL					
EVERYONE HAS A HOME					
Z4212	630,000	81,883	630,000		0
Z4402	305,670	72,561	305,670		0
Z4502	389,030	0	389,030		0
Z4702	10,000	118	10,000		0
Z4703	41,000	325	41,000		0
Z4705	300,000	13,961	300,000		0
Z4709	160,960	973	160,960		0
Z4717	400,000	0	200,000	200,000	0
Z4718	365,280	1,955	365,280		0
Z4719	2,297,830	10,425	2,297,830		0
Z4724	867,990	112,924	867,990		0
Z4740	86,670	13,808	86,670		0
Z4741	50,000	736	50,000		0
Z4742	302,330	102,780	302,330		0
Z4743	161,530	0	161,530		0
Z4745	147,380	644	147,380		0
Z4746	127,820	18,389	127,820		0
Z4747	73,690	33,133	73,690		0
Z4751	848,900	151,592	806,378		(42,522)
Z4752	10,000	0	10,000		0
Z4753	20,000	0	20,000		0
Z4754	15,000	0	0		(15,000)
Z4755	1,000,000	1,500	10,000	990,000	0
Z4802	460,000	100,277	460,000		0
Z4901	245,150	97,264	245,150		0
Z4903	260,000	99,507	260,000		0
HOUSING REVENUE ACCOUNT TOTAL					
	9,576,230	914,752	8,328,708	1,190,000	(57,522)
COUNCIL OWN BUILD CAPITAL					
Z3214	205,080	400	205,080		0
Z3215	600,940	35,404	600,940		0
Z3218	654,670	40,131	654,670		0
Z3219	594,190	34,710	594,190		0
Z3248	10,340	0	10,340		0
Z3249	10,230	0	10,230		0
Z3250	300,000	0	300,000		0

APPENDIX 2

2013-14
CAPITAL MONITORING TO 30 JUNE 2013

2013-14 Capital Programme	2013-14 Spend	2013-14 Forecast Spend	2013-14 Budget to be Carried Forward to Future Years	2013-14 Programme Variances Under
	£	£	£	()
OVERALL HOUSING REVENUE ACCOUNT TOTAL	11,951,680	10,704,158	1,190,000	(57,522)

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 3 SEPTEMBER 2013

BUDGET MONITORING REPORT TO 30 JUNE 2013

1. PURPOSE OF REPORT

1.1 REVENUE BUDGET MONITORING

This report advises Members of any material differences by management unit to the revised budget.

1.2 CAPITAL BUDGET MONITORING

Budget monitoring updates in respect of the Community Capital Programme are incorporated into this report, which is prepared on a quarterly basis, in order to improve financial reporting to this Committee and help to provide a more comprehensive financial update in respect of the Scrutiny Committee – Community budgets.

1.3 AREAS OF BUDGETARY RISK

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring, by officers.

2. REVENUE BUDGET MONITORING TO 30 JUNE 2013

2.1 The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £45,260 after transfers to and from reserves, which represents a variation of 0.41% from the revised budget. This includes supplementary budgets of £8,250. Capital charges have been deducted from this to provide the total budget for management accounting purposes.

2.2 The current forecast variance represents a £45,260 increase in expenditure. The significant variances are:

MU Code	Management Unit	Over (+) / Underspend (-)	Detail
81A1	Environmental Protection	87,430	• Redundancies
81A4	Public Safety	17,330	• Redundancy
81A7	Museums Service	45,500	• NNDR on the Royal Albert Memorial Museum
81C2	SHS - Advisory Services	(24,250)	• Revised recharges to the Housing Revenue Account
81C3	SHS – Housing Development	(58,250)	• Revised recharges to the Housing Revenue Account
81D4	Street Cleaning	(22,500)	• Savings expected on agency costs and expenditure on litter bins

2.3 The main variations by management unit are detailed below:

2013-14 REVISED ESTIMATE Less NOTIONAL CHARGES	£ 11,073,240
---	-----------------

81A1 ENVIRONMENTAL PROTECTION	87,430
--------------------------------------	--------

A planned redundancy was authorised after 1 April 2013 and this has resulted in redundancy costs in the current year. In addition, two Environmental Protection Officers (EPO's) have been made redundant resulting in further redundancy costs for the service.

A delay in implementing the planned redundancy has resulted in additional staffing costs in this unit but it is anticipated that this will be covered by savings elsewhere in the unit.

While the redundancy of the two EPO's will result in reduced ongoing pay costs for this service, it is not currently anticipated that this will result in an overall saving to this unit, as one was partly funded by an external body and the remainder of the cost was recharged to Scrutiny Committee – Resources, while the other post generated income from fines which made it cost neutral. While it is hoped that some income from fines will be generated by the remaining EPO's, it is too early to tell how much this will be.

The forecast assumes that the service will overspend by the amount of the redundancy payments.

81A3 LICENSING, FOOD, HEALTH & SAFETY	0
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There has been additional expenditure as a result of the decision to acquire the AssessNET Online Health and Safety Management System but this has been offset by savings in pay as a result of vacancies.

81A4 PUBLIC SAFETY	17,330
---------------------------	--------

A planned redundancy was authorised after 1 April 2013 and this has resulted in redundancy costs in the current year.

There has been additional expenditure as a result of the delay in implementing the planned redundancies, but it is anticipated that this will be offset by reduced service charges in St Stephens House and additional income from the Home Call Alarm service.

81A6 GROUNDS MAINTENANCE	0
---------------------------------	---

Expenditure on dealing with illegal campers and travellers is expected to exceed the budget by £20,000 but it is expected that this will be offset by additional rental income, and some savings on staffing costs. However, if these costs continue to escalate, this could lead to an overspend in this unit and it is therefore noted below as a budgetary risk.

81A7	MUSEUMS SERVICE	45,500
	<p>The rateable value for the Royal Albert Memorial Museum (RAMM) set by the Valuation Office is more than was originally estimated, resulting in the National Non Domestic Rates (NNDR) for the facility exceeding the budget.</p> <p>The Council has appealed to the Valuation Office; the outcome of the appeal should be known by December 2013 at the latest. If the hearing is successful a refund will be due and the projected overspend will be eliminated.</p>	
81A8	LEISURE FACILITIES	0
	<p>No material variances are anticipated.</p>	
81B2	BEREAVEMENT SERVICES	(6,000)
	<p>There has been additional expenditure as a result of the delay in implementing the planned redundancy. In addition, NNDR costs exceed the estimates.</p> <p>However, these overspends will be more than offset by savings on pay as a result of a vacancy and additional rental income.</p>	
81B3	PROPERTIES	0
	<p>No material variances are anticipated.</p>	
81C2	SHS – ADVISORY SERVICES	(24,250)
	<p>The variance projected on this management unit is in respect of the recharge of costs to the HRA as detailed below in 81C3 Housing Development.</p> <p>In addition to this there are an increasing number of complex cases approaching the service which could place pressure on other budgets during the remaining part of the financial year. If individual budgets are anticipated to overspend in year a plan will be formulated to negate this overspend.</p> <p>The Housing Advice budget has been included in the potential budgetary risk areas detailed below.</p>	
81C3	SHS – HOUSING DEVELOPMENT	(58,250)
	<p>The forecast underspend in this area is in respect of the recharge of costs to the Housing Revenue Account (HRA). The recharge reflects a review of staff time allocations in the Housing Development Team in accordance with proper accounting practices, which has resulted in a transfer of costs to the HRA.</p> <p>Following a review of duties performed by officers within the Housing Development Team it was identified that a greater proportion of their time relates specifically to the HRA including; the development of new council housing, system review work, dealing with complaints and short-listing for empty council housing.</p> <p>A corresponding overspend is shown on the cost of the HRA and is</p>	

therefore shown within the Housing Revenue Account budget monitoring report, which is also presented to this committee.

Staff time allocations will continue to be monitored in order to ensure that costs are fairly apportioned between the HRA and General Fund.

81C4 PRIVATE SECTOR HOUSING (5,000)

Additional income is expected to arise from licenses for Houses in Multiple Occupation (HMO's).

81D2 DOMESTIC REFUSE COLLECTION 0

No material variances are anticipated.

81D4 STREET CLEANING (22,500)

Expenditure on litter bins is expected to be less than estimated. In addition, it is expected that expenditure on agency staff will be less than the budget.

81D5 PUBLIC CONVENIENCES 0

No material variances are anticipated.

81D6 CHARGEABLE SERVICES - CLEANSING 0

No material variances are anticipated.

81D7 EXTON ROAD OVERHEADS AND FLEET 4,000

Rental income receivable is expected to be less than estimated following the vacation of the Old Pumping Station site

81D8 RECYCLING 7,000

15% less paper was available for recycling in the first quarter than in the same quarter last year. If volumes continue to fall, this could lead to a shortfall of income. At this stage we have only accounted for the £10,000 shortfall in the first quarter, but this budget has been included in the potential budgetary risk areas detailed below.

This will be partially offset by savings arising from changes in the arrangements for collecting glass from bring bank sites.

2013-14 EXPECTED FINAL OUTTURN 11,118,500

3. CAPITAL BUDGET MONITORING TO 30 JUNE 2013

To report the current position in respect of the Community Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

3.1 REVISIONS TO THE COMMUNITY CAPITAL PROGRAMME

The 2013/14 Capital Programme, including commitments brought forward from 2012/13, was last reported to Scrutiny Committee – Resources on 19 June 2013. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as at 19 June 2013	5,754,760	
Bury Meadow	4,500	Contribution from DCC
Childrens Play Areas	2,500	Contribution from DCC
Childrens Play Areas	96,790	Additional S106 funding and interest
Revised Capital Programme	5,858,550	

3.2 PERFORMANCE

The current Community Capital Programme is detailed in Appendix 2. The appendix shows a total forecast spend of £4,249,531 in 2013/14 with £1,498,805 of the programme expected to be deferred until 2014/15. The main variances, achievements and issues concerning expenditure in 2013/14, and schemes which may be deferred to 2014/15, are as follows:

Provide Great Things For Me To See Do and Visit

- **Play Area Refurbishments (Budget £402,090)**

So far this financial year ECC have part funded a new outdoor table tennis table at Kings Heath Park (Digby) which was achieved in partnership with the local resident's association.

The play facilities on Wonford Playing fields have been improved by providing a dynamic new item aimed at older children and teenagers, as well as completing the final stage of the community seating/shelter area at the same site.

Refurbishment and improvement of Chantry Meadow Play Area is well underway and will be completed in time for the school summer holidays.

The first phase of the major new facility at Crossmead has been ordered and will be completed during July although the bulk of new play facilities will follow later in the year. Community consultation has been completed in relation to the Beacon Avenue (Chaucer Grove) project and installation of the new facilities will take place this autumn, as will work on the new 'Rydon Park' project at Newcourt.

- **Replace Running Track at Arena (*Budget £750,000*)**

Procurement work for this starts in September with the track work commencing in January 2014 and concluding in June 2014. Payments will be staged throughout the works so there will be need to carry approximately 50% of the budget forward into 2014/15.

- **Sports Facilities Refurbishment (*Budget £183,610*)**

The bowling surface at Isca Indoor Bowls Hall has been replaced and it is planned to purchase air handling units for Pyramids Swimming Centre and Isca Bowls and Bridge Centre and an Air Conditioning Unit for Riverside Leisure Centre.

- **Contribution to RAMM re HLF Parks Bid (*Budget £10,210*)**

The works forming the HLF Parks Bid have been completed but were paid from the main development budget in 2012/13 therefore this is now a saving.

- **RAMM Development (*Budget £404,170*)**

A number of possible payments will not occur until next year.

- **Replacement of Flowerpot Skate Park (*Budget £244,530*)**

After a significant consultation and design period and a thorough contract tendering process, Wheelscape Skateparks have been selected to implement the new concrete surfaced skate park at Flowerpot Playing Fields, replacing the original facility. Work started on 17 June and the projected build period is 12 weeks. Completion and opening of the facility should be achieved during early September. A small amount of budget will be required next year to make the final payment to the contract when the defects period has expired.

- **Refurbishment and Upgrade of Paddling Pools (*Budget £137,170*)**

The scheme involves the provision of a new 'splashpark' water play facility which will replace the existing paddling pool at St Thomas Pleasure Grounds. The existing paddling pool has been kept open for this summer and the work on the new facility will begin in September once the children have gone back to school. The new facility will be a very exciting and unique destination for Exeter and will be up and running in time for the summer season 2014. The project also involves some improvement to the dry, all year round play facilities, and on this front a large and challenging new double climbing net play item has been provided and has just been completed and opened for use.

- **Community Schemes**

These are all grant awards from the New Homes Bonus Local Infrastructure Fund. Some of the projects are not ready to go ahead yet as organisations have to assemble other funding.

Help Me Find Somewhere Suitable to Live

- **Disabled Facility Grants (*Budget £294,720*)**

Demand for Disabled Facilities Grants has remained high. As a result the 2013/14 budget is nearly fully committed with a number of large value, grants to fund adaptations for disabled children expected to be submitted this financial year. Once an application has been received the Council is under a legal duty to approve the grant, regardless of budgetary position. As a result there is a high risk of an overspend on the DFG budget. This budget has been included in the potential budgetary risk areas detailed below.

- **Renovation Grants (*Budget £50,000*)**

The council has moved away from awarding grants, except in exceptional circumstances, facilitating low interest loans in their place. As a consequence the Renovation Grant budget is significantly underspent, and will continue to be so.

- **HCA Empty Properties (*Budget £100,000*)**

Indicative funding of £225,000 had been allocated to ECC through the Homes and Communities Agency to bring 15 empty properties back into use. The fund was designed to create a loan with nomination rights for 5 years. The £100,000 budget was set aside to help forward fund the loan (as ECC were going to be paid on completion from the HCA). Extensive marketing of the HCA scheme was carried out during February/March 2013 and over 800 landlords were contacted and a full page advert was placed in the Exeter Express and Echo as part of National Empty Homes Week in November 2012. Unfortunately, the loan was not popular and feedback suggested that owners did not wish to be tied into the 5 year nomination rights. Therefore, the programme has been withdrawn.

4. AREAS OF BUDGETARY RISK

The table below identifies a number of areas that have been identified as a budgetary risk within the Community budgets. No variances are being projected on the risk areas at this stage apart from the loss of income already experienced on the income from recycling (para 2.3, unit 81D8 above refers) and the amount of overspend on disabled facility grants that can be funded from the projected underspend on renovation grants.

The areas of risk are as follows:

Budget Title	Approved Budget	Risk
Revenue: Recycling – income from sale of recyclates	(£937,240)	Income from the sale of materials and recycling credits is dependent on the quantities collected, the quality of the material collected and the market price achievable for the materials. These factors are largely outside the control of the Council and can fluctuate considerably. As this is a significant source of income for the Council, this represents a budgetary risk.

Budget Title	Approved Budget	Risk
Revenue: SHS – Advisory Services – repair costs to private Sector Leased Properties, cost of emergency temporary accommodation	£1,476,010	<p>The number of homeless cases approaching the service impacts on the budget in respect of emergency temporary accommodation.</p> <p>The council has a duty to house the homeless; if contracted accommodation is unavailable emergency temporary accommodation will be used. High levels of usage of emergency temporary accommodation can result in the budget being exceeded.</p> <p>A large number of Private Sector Leased properties (PSL) are used for homelessness purposes. Repairs to leased properties are the responsibility of the council. If a PSL becomes void and repairs are required to return the property to the standard required significant costs can be incurred.</p>
Capital: Disabled Facility Grants	£294,720	<p>The 2013/14 budget is nearly all committed and further substantial claims are anticipated. The Council is legally bound to approve grant applications regardless of budgetary considerations. It is considered that there is therefore a high risk that this budget will be overspent in 2013/14.</p>

RECOMMENDED

That Scrutiny Committee – Community note this report.

DEPUTY CHIEF EXECUTIVE

ACTING ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling this report

None

SCRUTINY COMMITTEE - COMMUNITY
BUDGET MONITORING

Appendix 1

APRIL 2013 TO JUNE 2013

ORIGINAL ANNUAL BUDGET	SUPPLEMENTARY BUDGETS	CAPITAL CHARGES	PLANNED MOVEMENTS ON RESERVES	REVISED BUDGET EXC CAPITAL CHARGES	CODE	CURRENT OUTTURN FORECAST	QUARTER 1 FORECAST VARIANCE
£	£	£		£		£	£
520,790	0	(18,430)	0	502,360	81A1	589,790	87,430
377,280	0	(1,330)	12,410	388,360	81A3	388,360	0
719,150	0	(113,840)	0	605,310	81A4	622,640	17,330
1,931,870	0	(262,500)	0	1,669,370	81A6	1,669,370	0
2,288,800	0	(233,860)	0	2,054,940	81A7	2,100,440	45,500
802,550	0	(693,150)	0	109,400	81A8	109,400	0
228,980	0	(11,540)	0	217,440	81B2	211,440	(6,000)
22,910	0	(8,100)	0	14,810	81B3	14,810	0
1,485,350	0	(9,340)	0	1,476,010	81C2	1,451,760	(24,250)
210,330	0	(78,610)	0	131,720	81C3	73,470	(58,250)
244,050	8,250	(1,330)	0	250,970	81C4	245,970	(5,000)
82,710	0	0	0	82,710	81C5	82,710	0
0	0	(7,520)	0	(7,520)	81C6	(7,520)	0
0	0	0	0	0	81C7	0	0
1,922,950	0	(237,450)	0	1,685,500	81D2	1,685,500	0
1,458,000	0	(131,500)	0	1,326,500	81D4	1,304,000	(22,500)
418,610	0	(37,990)	0	380,620	81D5	380,620	0
(124,850)	0	(56,740)	0	(181,590)	81D6	(181,590)	0
360,160	0	(150)	0	360,010	81D7	364,010	4,000
158,970	0	(152,650)	0	6,320	81D8	13,320	7,000
13,108,610	8,250	(2,056,030)	12,410	11,073,240	NET EXPENDITURE	11,118,500	45,260

VARIANCES ON TRANSFERS TO / (FROM) EARMARKED RESERVES

0
11,118,500
11,073,240
45,260

OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO / FROM RESERVES
REVISED BUDGETS
ADJUSTED OUTTURN VARIANCE

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2013/14
CAPITAL MONITORING TO 30 JUNE 2013

	2013/14 Capital Programme	2013/14 Spend to 30 June	2013/14 Forecast Spend	2013/14 Budget to be Carried Forward to 2014/15	2013/14 Programme Variances Under ()
	£	£	£	£	£
COMMUNITY & ENVIRONMENT					
PROVIDE GREAT THINGS FOR ME TO SEE DO AND VISIT					
Play Area Refurbishments	402,090	10,730	349,920	52,170	0
Replace Running Track at Exeter Arena	750,000		375,000	375,000	0
Sports Facilities Refurbishment	183,610	9,950	39,950	143,660	0
Parks Improvements	25,170	13,442	25,170	0	0
Contribution to RAMM Re HLF Parks Bid	10,210		0		(10,210)
RAMM Development	404,170	1,748	125,570	278,600	0
RAMM Off Site Store	7,050		7,050		0
Neighbourhood Parks & Local Open Spaces	10,840	6,700	10,840		0
Replacement of Flowerpot Skate Park	244,530	53,388	232,530	12,000	0
Refurbishment and Upgrade of Paddling Pools	137,170		137,170		0
Newtown Community Centre	61,580	9,610	11,580	50,000	0
Topsham Rugby Club Improvements	50,000		50,000		0
Exeter Community Centre Garden	340	336	336		(4)
Countess Wear Community Centre	70,000		0	70,000	0
Newcourt Community Association Centre	69,750		34,875	34,875	0
Exe Water Sports Association (Grant towards build)	50,000		25,000	25,000	0
Exwick Ark (Grant towards conversion)	50,000	38,478	50,000		0
Devonshire Place (landscaping)	25,000		12,500	12,500	0
Bury Meadow (landscaping)	11,500	3,000	11,500		0
Alphington Village Hall (Repairs & Extension)	50,000		0	50,000	0
St Thomas Social Club (new roof)	25,000		0	25,000	0
Ride On (set up workshop / bike hire)	5,000	5,000	5,000		0
Exeter Community Centre Garden - Phase 2	16,990	16,990	16,990		0
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD					
Public Toilet Refurbishment	990		990		0
Local Authority Carbon Management Programme	66,020	8,369	66,020		0
Improvements to Cemetery Roads & Pathways	4,000		4,000		0
OTHER					

2013/14
CAPITAL MONITORING TO 30 JUNE 2013

	2013/14 Capital Programme	2013/14 Spend to 30 June	2013/14 Forecast Spend	2013/14 Budget to be Carried Forward to 2014/15	2013/14 Programme Variances Under ()
	£	£	£	£	£
Vehicle Replacement Programme	459,350	99,776	459,350		0
HELP ME FIND SOMEWHERE SUITABLE TO LIVE					
Disabled Facility Grants	294,720	146,770	339,720		45,000
Warm Up Exeter/PLEA Scheme	168,530	4,882	168,530		0
Renovation Grants	50,000	2,400	5,000		(45,000)
Wessex Loan Scheme	647,840	115,762	647,840		0
Glencoe Capital Works	4,960		4,960		0
St Loyes Design Fees	65,000		45,000	20,000	0
Private Sector Renewal Scheme	143,830	11,614	143,830		0
WHIL Empty Properties	194,000	194,000	194,000		0
HCA Empty Properties	100,000		0		(100,000)
The Haven	250,000	161,600	250,000		0
Temporary Accommodation Purchase	300,000		300,000		0
Infill Sites	350,000		0	350,000	0
MAINTAIN ASSETS OF OUR CITY					
Council Buildings - Solar Panels	99,310	68,713	99,310		0
COMMUNITY & ENVIRONMENT TOTAL	5,858,550	983,258	4,249,531	1,498,805	(110,214)

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – COMMUNITY 3 SEPTEMBER 2013

EXECUTIVE
17 SEPTEMBER 2013

ASSET MANAGEMENT REVIEW - HOUSING GARAGE SITES

1.0 PURPOSE OF THE REPORT

- 1.1 To report the outcome of an asset management review of the City Council's garage sites and consider recommendations for estate rationalisation.

2.0 BACKGROUND

- 2.1 The Council owns 930 garages over 65 sites. Since 2009, around 60 garages a year have been vacant. This represents 6.5% of the total stock and around £26,500 in lost rental income each year. Over the last four years, this equates to lost income in the region of £106,000. Despite several initiatives to reduce the number of empty garages, the numbers are increasing each year. The garages have the potential to generate an income in the region of £470,000 per annum, depending on the type of tenant and the location of the garage.
- 2.2 The current rent charge per week (over 48 weeks) is set out in the table below. The Council is required to charge VAT when renting garages to people who are not existing tenants of ECC homes.

	Inner City Garage	Outer City Garage
Tenant*	£13.57	£10.19
Non-Tenant**	£16.28	£12.22

	Inner City Car Parking Space	Outer City Car Parking Space
Tenant*	£8.92	£5.10
Non-Tenant**	£10.70	£6.12

*Excludes VAT **Includes VAT

- 2.3 The review of garages has also been prompted by the following issues:

- In the current financial climate, individuals and families are scaling back on their monthly expenditure and garages could be considered an unnecessary luxury. The number of vacant garages is predicted to increase as more people surrender their tenancies for financial reasons and this represents a business risk for the council.
- There is limited budget provision set aside for garage maintenance and in general only basic emergency repairs are undertaken.
- With changes in car design, some of our garages are not wide enough for a modern car and are therefore not fit for purpose. Only about half of our garages are used for car parking, with the rest being used for storage or running small businesses.
- There is a pressing need for new affordable homes within the City and under-utilised garage sites could be used to provide further homes.

- 60% of our tenants and leaseholders have identified a lack of car parking as the biggest issue where they live and under-utilised garage sites could be used to provide hard-standings for cars.

2.4 The objective of this review was to assess how the ECC garage estate could be used to:

- Maximise rental income and reducing the number of empty garages
- Reduce on-road parking by creating additional off-road space
- Make effective use of housing land
- Allocate funding against priorities
- Improve satisfaction levels of existing garage tenants
- Improve security and stock condition.

2.5 Spot checks were undertaken at selected garage sites to assess the general condition and presence of asbestos and around 350 residents currently renting a garage from Exeter City Council returned a survey which showed:

- 38% thought their garage was in good condition; 49% fair and 14% in poor condition.
- 83% said their garages kept most of the weather out
- 23% had problems with plants growing into their garages
- 52% used their garages for car parking
- 27% reported fly-tipping; 16% reported ASB relating to drug and alcohol use and 9% reported graffiti as problems on our garage sites.

2.6 Given the number of vacant garages a small number of garages are used by local charities and community organisations that benefit the local community on a rent free basis.

3.0 ASSET MANAGEMENT RECOMMENDATIONS

3.1 The review has prompted the following recommendations for the garage estate:

Re-development

16 sites have development potential for new homes. Of these sites:

- Newport Road (23 garages), planning permission has already been granted for 6 three-bed homes.
- 6 sites (187 garages) are being considered by architects for development in the near future. These are: Goldsmith Street (lower site) (29), Anthony Road (13), Bovemoor Lane (29), Taunton Close (21), Wynford Road (41) and Thornpark Rise (54).
- 9 sites (253 garages) should be considered for future development. These are Lower Wear Road (44), Higher Barley Mount (44), Lancelot Road (66), Mincinglake Road (16), Littleway (18), Merrivale Road (54), Durham Close (8), Redlands Close (3) and Whipton Barton Road (44).

If all 16 sites were to be developed for new homes this would ultimately reduce the number of garages within the Council's stock by 463 or 50%, resulting in a loss of annual garage rental of between £226,462 and £361,806, depending who the garage was rented by and where it was located. However, the Council would be providing additional social housing and, whilst it is not possible to project the income of this proposal until each site is assessed for its suitability, type of properties and numbers, it would significantly increase the rental income.

The sites would be developed over a period of time to mitigate the impact of the reduction in the number of garages and officers would work with the tenants of each area at the appropriate time to find alternative parking arrangements.

Disposal

13 small sites have potential for disposal. Of these,

- **9** sites (44 garages) are recommended for disposal. These are: Clifton Street (14), Wayside Crescent (4), Hill Rise (3), Legion Way (2), Briar Crescent (3), Laburnum Road (4), Haldon Close (4), Powderham Close (6) and Belvedere Close (4). The garages have been valued at between £5,000 and £10,000 per unit, dependent upon the current market conditions and whether the garages are sold individually or as blocks. It is estimated that they will generate a capital receipt of between £220,000 and £440,000.
- The annual rental loss on these blocks will be between £21,521 and £34,383 depending on location and whether the garage is let to tenant or non tenant and the assumption that they would all be tenanted.
- The disposal of the blocks would be carried out over a period of time allowing us to either sell the blocks with sitting tenants (if appropriate) or giving us time to work with the tenants of used garages to find alternative garages within our stock and assist them re-locate.
- The remaining **4** sites (8 garages) at Lower Summerlands (3), Woodwater Lane (2), Chestnut Avenue (1) and Bramley Avenue (2) are not recommended for disposal because they are either directly opposite council owned homes or there are other future redevelopment opportunities for these sites.

Investment

6 sites (134 garages) are assessed as being in high demand in popular areas but requiring some work to ensure the garages remain fit for purpose and bringing them up to standard. The total cost of investment across all the sites is £73,308 and it will take around a year to recoup the cost from rental income. These sites are: Redhills Close (19), Goldsmith Street (upper site) (42), Galahad Close (38), Percival Road (19), Greenway (5), and Bonville Close (11).

Demolition

6 sites (97 garages) are assessed as having the potential to provide car parking instead of garages. This would require demolition and laying hard standings at an estimated cost of £150,000. Car parking spaces provide a rental income per week and, because hard standing would provide more spaces than garages on each site, we estimate that it will have a neutral effect on rental income. We would work with the tenants at these sites to ensure they were given priority to rent the parking spaces once demolition had taken place or relocate to another garage site. These sites are: Watergate (4), Wear Barton Road (12), Heavitree Bridge (19), Elaine Close (24), Prospect Place (28), and Hill Barton Close (10).

Storage

3 sites (21 garages) were identified where the garages are not wide enough for modern cars. The tenancy agreement should therefore be amended to prioritise storage instead of car parking. There is no cost for this and tenants would be expected to ensure they had adequate insurance for the contents. These sites are: Fullers Court (7), Serge Court (7) and Teazle Court (7). The policy of offering hard-to-let vacant garages to local charities for free

storage will continue but, given the proposed reductions in the overall garage stock, the number of hard-to-let vacant garages is likely to reduce.

New-build Garages

1 site at Wear Barton Road (12) was identified where further garages could be built on poorly utilised land. The cost of this would be £28,000 for three garages. Based on the income created by the three additional garages it would take between 16 and 19 years to recoup the costs of the additional garages with rental income.

No Change

18 sites will stay as they are. These are where a higher amount of demand has been identified and where there is no re-development potential. In most cases, these are garages situated beneath flats.

- 3.2 If all the above recommendations are accepted, the council's garage estate would reduce to 276 garages on 34 sites.

4.0 NEXT STEPS

- 4.1 If Committee Members are content to pursue the recommendations of this review in principle, all Members with garages in their wards will be consulted on the detailed proposals. The results of this consultation will be considered by the Portfolio Holder for Maintain our Assets, in consultation with the Chairman and Vice-Chairman of Scrutiny – Community Committee, and reported to Executive Committee with detailed recommendations in November.

- 4.2 The proposals will also be considered by the Tenants and Leaseholders' Committee on 21 September.

5.0 RECOMMEND that Scrutiny – Community support and Executive agrees:

- i. To approve the recommendations set out in Section 3 above in principle for consultation with the Ward Members and the Tenants and Leaseholders' Committee and for detailed consideration by the Executive Committee in November

SARAH WARD
ASSISTANT DIRECTOR HOUSING & CONTRACTS

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

Background papers used in compiling this report:-

None

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – COMMUNITY 3 SEPTEMBER 2013

EXECUTIVE 17 SEPTEMBER 2013

HOME ENERGY CONSERVATION REPORT & ENERGY COMPANY OBLIGATION FUNDING

1. PURPOSE OF REPORT

- 1.1 To update Members on the Council's duties relating to home energy conservation and work being conducted on procuring an Energy Company Obligation (ECO) provider.

2. BACKGROUND

- 2.1 The Government's Carbon Plan sets out the strategy for meeting the UK carbon targets and includes the following:
- To reduce greenhouse gas CO₂ emissions by 29% by 2017, 35% by 2022, and 50% by 2027
 - To insulate all cavities and lofts, where practical, by 2020
 - To insulate between 1 and 3.7million solid walled properties and the installation of between 1.9 - 7.2million other energy efficiency measures by 2030
 - Carbon emissions from UK buildings to be "close to zero" by 2050
- 2.2 In order to monitor progress against these targets the Government required all local authorities in England to produce an Home Energy Conservation report by 1st March 2013, setting out the energy conservation measures that each authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area. In so doing the Council had regard to:
- Measures that take advantage of the financial assistance offered from Government initiatives, such as the Green Deal and Energy Company Obligation
 - Measures which an authority has developed to implement energy efficiency improvements

3. HECA REPORT

- 3.1 Effectively the first report, which was submitted to the Department of Climate Change (DECC) by 1st March 2013, is a position statement identifying the potential for improvement in each local authority and it is to be followed by progress reports at 2 yearly intervals up to and including 31 March 2027.

3.2 In order to establish a robust baseline, and identify potential for energy efficiency measures to residential accommodation DECC published data for each local authority on:

- Energy consumption (gas, electricity, other fuels, road transport)
- CO2 emissions
- Cavity wall and loft insulation installed under the Carbon Emissions Reduction Target
- Numbers of solar PV installations

That data, together with local data from sources such as the Council's Private Sector House Condition Surveys, returns for locally run energy efficiency schemes such as Cosy Devon and PLEA, in conjunction with the Energy Performance Certificate data held for 18 000 private properties in the City, enabled the first report to be written, (see Appendix 1).

4. LEVERING IN ENERGY COMPANY OBLIGATION FUNDING

4.1 The targets contained in the Home Energy Conservation Report can only be achieved with engagement with the Green Deal and Energy Company Obligation (ECO).

Government launched its joint Green Deal/ECO initiative in January 2013 as the single "policy package" for energy efficiency that will complete the cost effective "easy wins" in the buildings sector by 2020. The Government has acknowledged that local authority involvement is key to the success of these initiatives.

The Green Deal - is an innovative finance mechanism enabling householders to pay for energy-efficiency improvements to their homes through savings made on their energy bills. The loans, administered through the Green Deal Finance Company, are available over a period of up to 25 years, with the maximum value of the loan being determined by the savings expected to be made on the energy bill as a result of the energy efficiency measures installed. For example, if insulation measures were estimated to save a householder £50 per annum on their bill the maximum loan repayment, with interest, would be calculated on an annual repayment of £50 for however long it takes to pay for the measure to be installed. The loan is repaid through the electricity meter, with the debt being passed on to the next owner if the property is sold during the period of the loan.

ECO - is an obligation placed upon the seven largest energy companies requiring them to fund energy efficiency measures and is funded through a subsidy charged on all energy bills. The level of this subsidy is currently in the region of £55 per annum on every dual fuel customer, representing approximately 4% of the average bill. The Obligation is split into three separate Obligations, each targeted at different sectors of the population:

1. Carbon Emission Reduction Obligation, worth at least £760 million per annum, to provide 'top ups' to Green Deal loans
2. Carbon Saving Communities Obligation, worth at least £190 million per annum (15% of which has to be spend in rural communities)
3. Home Heat Cost Reduction Obligation, worth at least £350 million per annum

The Carbon Emissions Reduction Obligation, which accounts for around 70% of the overall Obligation, must be used to top up Green Deal loans where the maximum available loan would be insufficient to fund the full cost of the energy efficiency measures being installed. This would normally be the case in respect of solid wall insulation where it is estimated that a Green Deal loan would only be available to cover between 40% and 60% of the cost of work.

The Carbon Saving Communities Obligation is to fully fund some energy efficiency measures (only partially funding the more expensive measures) to houses in 'Carbon Saving Communities' which are the Lower Super Output Areas (LSOA) throughout England which are in the top 15% deprived areas in the Country. Exeter has 6 LSOAs in this category.

The Home Cost Reduction Obligation is to provide free insulation and replacement boilers to any household on qualifying benefits.

- 4.2 In November 2012 The Devon Chief Executive's group commissioned the Energy Savings Trust to undertake an "options review" to determine the most appropriate response to Green Deal/ECO for the county of Devon through a countywide partnership of Local Authorities. This process started with an assumption that Local authorities would engage with Green Deal/ECO in one of three roles identified by Government – Provider, Partner or Advocate. However, as the partnership's learning advanced, it was clear that there was a spectrum of potential engagement possibilities. These were distilled into the following options for detailed consideration:
1. Local authority as promoter – leaving delivery of the Green Deal to the market
 2. Local authority as producer - provides marketing support, work in partnership with commercial Green Deal Provider(s)
 3. Local authority procures a GD delivery partner - coordinates finance and delivery with a private sector partner to residents and businesses
 4. Local authority as a provider - takes on the role of Green Deal Provider (effectively taking on the role of the Green Deal Finance Company) and works with local organisations, business and community to deliver Green Deal
 5. Local authority selects a partner for ECO delivery - provides marketing support and coordinates delivery in partnership with an energy company
- 4.3 At the end of March 2013, the review concluded that the Green Deal had not taken off as the Government had hoped, principally for the following reasons:
- the interest rate charged on the loan being paid back on the meter has been set at around 9% , above high street interest rates
 - homeowner's concerns that a debt attached to the meter would make their properties unattractive to potential purchasers

- savings on energy bills are only 'guaranteed' for the first year – effectively bills will continue to rise in line with energy prices
- private sector landlords are unwilling to engage as they become responsible for the debt during void periods, compounded by the fact that subsequent tenants will be liable to take on the debt through their bills
- energy companies have been slow to develop their ECO offers

It was clear that the Green Deal, and as a consequence the Carbon Reduction Emissions Obligation, are beyond the influence of local authorities and that effort should be put into procuring an ECO delivery partner to maximise the spend on the other 2 stands of ECO in the Devon and Torbay areas (by that time Plymouth had made alternative arrangements).

By early July 2013 a procurement specification had been developed and agreed by the remaining 10 Local authority partners. The key features of this specification are as follows:

- **Procurement Route** – unlike the majority of other local authorities which have undergone ECO procurement for similar schemes the Devon authorities have avoided the need to undergo a full tendering exercise using the Official Journal of the European Union rules (OJEU). Devon are entering a competitive process resulting in a Service level agreement / Memorandum of Understanding with legal conditions around data, logo/branding, KPIs, quality and customer service. This procurement has been deemed to be a nil value "contract". No funding will be provided to the successful applicant. This procurement route has not only, potentially, saved £100,000's but is also quicker and more attractive to potential partners. Crucially, the tender specification can also build upon the 'localism agenda' requiring such things as local job creation, training, capacity building and development of local supply chains, which could have not have been possible by going through an OJEU tender.
- **Exclusivity** – one provider is being sought
- **Provider Type** – selected from the Big 7 power companies, who have the ECO, and main contractors with access to ECO funding. The value of the "contract" is expected to exceed £18m annually as this is the pro rata share of the expected national expenditure by obligated power companies for Devon and Torbay
- **Service Required** – ECO measures plus an option for provision of Green Deal
- **Management Model** – fully managed by the provider
- **Scope** – Private Sector Housing plus. There is an opportunity to include housing association and public sector housing stock but many of these organisations are already negotiating their own deals

An Invitation to Tender for procuring an Energy Company Obligation Delivery Partner for Devon and Torbay was advertised on the Devon Procurement Portal on the 12th August 2013. The procurement process is being undertaken by Devon County Council on behalf of the partnership. The aim is to have an ECO Delivery Partner in place by 21st October in order to re-launch a Cosy Devon Scheme (which funded

15,000 insulation measures through previous funding arrangements) shortly afterwards.

5. RESOURCE AND FINANCIAL IMPLICATIONS

(1) a basic energy efficiency scheme can be run at no cost to the Council, other than staff input, with all funding for energy efficiency measures being secured through the ECO or Green Deal provider.

6. RECOMMENDED

That Executive and Scrutiny Committee – Community:

- 1) Note the contents of the Home Energy Conservation Report
- 2) Agree to the procurement route contained in 4.2.5.

ASSISTANT DIRECTOR ENVIRONMENT

ENVIRONMENT DIRECTORATE

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

Background papers used in compiling this report:-

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EXETER CITY COUNCIL

HECA FURTHER REPORT

ACTION	DESCRIPTION	TIMING
<p>i) LOCAL ENERGY EFFICIENCY AMBITIONS AND PRIORITIES</p>	<p>Exeter City Council is a signatory to the Nottingham declaration and the Devon wide declaration on Climate Change. Local authorities in Devon are in the process of joining Climate Local.</p> <p>There are some 50,200 homes in the City of which 31,100 (62%) are owner occupied, 10,500 (21%) are privately rented and 8,570 (13%) are owned by housing associations and the Council. Private rented homes are the least energy efficient and housing association homes the most energy efficient.</p> <p>The City's domestic CO₂ emissions reduced by 8% from 234kt 2005 to 215kt in 2010. Per capita emissions in 2010 are 1.8 t CO₂/person; 28% lower than Devon (2.5) and 25% lower than nationally (2.4).</p> <p>In 2010 DECC statistics show that 13% of the City's homes are fuel poor with pockets as high as 22% in parts of the City. 25% of the City's homes have solid walls with the proportion of solid wall homes rising as high as 98% in some localities. ECO funded solid wall insulation therefore has a potentially important role in improving the thermal efficiency of the City's homes. There are 6 Carbon Saving Community Obligation (CSCO) areas in the City.</p> <p>95% of homes in Exeter have gas. The City has some 800 off gas homes in the Exwick area and a relatively high incidence of electrically heated flats in the city centre. The Renewable Heat Incentive may give the opportunity for these households to switch to lower cost renewable heating technologies with lower running costs. However, the success of the RHI will depend on the details of the scheme which are yet to be finalised by DECC.</p> <p>The council has extensive data on its own housing stock. Housing associations in the District have not been able to supply detail data on their housing stock in the time available. There is a mixed approach to the Green Deal and ECO among Housing Associations with a significant proportion being unwilling to let their tenants take out the Green Deal. The Council is also unwilling for the Green Deal to be taken out on its properties.</p> <p>Exeter adopted a climate change strategy in 2008 and an updated action plan in 2009 (see http://www.exeter.gov.uk/CHttpHandler.ashx?id=13566&p=0) which includes a range of actions in private and council housing [all of / many of] which have been successfully implemented.</p>	<p>Ensure Housing associations can provide data for future reports</p>

EXETER CITY COUNCIL

	<p>Priorities for Exeter include:</p> <ol style="list-style-type: none"> 1. Maximising the benefit of ECO funding in and around the City's 6 CSCO areas 2. Outside CSCO areas, focussing on working with landlords in the private rental sector to improve standards in the poorest performing (F and G EPC rated) homes 3. Using monitoring and enforcement of Category 1 cold Hazards where necessary 4. Promoting the Ready for retrofit programme in social housing in the City to achieve improvements and develop the local supply chain 	<p>Priorities will be address in the period 2013 to 2015</p>
<p>ii) MEASURES WE ARE TAKING TO RESULT IN SIGNIFICANT ENERGY EFFICIENCY IMPROVEMENTS OF OUR RESIDENTIAL ACCOMMODATION</p>		
<p>Green Deal and ECO</p>	<p>Funding for measures on social housing in the District is available from the Ready for Retrofit programme, a three year EU funded project to improve social housing stock and stimulate demand in the south west of England (excluding Cornwall). The project will work with the Green Deal and ECO to stimulate demand by investing £2.3m of project funds to drive total investment of more than £6m in a minimum of 787 social housing energy efficiency measures. SMEs in the supply chain will receive an intensive business support programme focused on developing delivery capability at scale, value and quality.</p> <p>The energy efficiency of Council owned homes is above the national average and rather than encourage council house tenants to use the Green Deal the Council will continue to improve its stock using its own maintenance budget.</p> <p>It is anticipated that the lessons learned for these projects will inform how the District develops further plans for the Green Deal and ECO. More specifically the Council is seeking ECO funding to provide external insulation on Rennes House, a tower block occupied by 61 vulnerable households.</p>	<p>Participate in Ready for Retrofit in 2013/14/15</p> <p>Develop further plans for 2015</p>
<p>Feed in Tariffs (FIT) scheme</p>	<p>A programme of 288 PV installations has been undertaken on Council homes which are prominent on thoroughfares in the city. In total some 1.6% of homes (~800) have PV installed. The Council's web site signposts information on renewable energy. It is anticipated that Green Deal activity in the District will further stimulate the uptake of the Feed in Tariff with PV forming part of a package of whole house energy measures.</p>	<p>The Council will continue to signpost the FIT from its web site and include renewable energy in its Green Deal and ECO projects.</p>
<p>Renewable Heat Premium Payment (RHPP)</p>	<p>Off gas grid home have the greatest potential to benefit from the RHPP. However, all but 5% of homes in Exeter are on the gas grid which limits the current potential in the City. Unfortunately statistics are not available to enable the council to know how many RHPP installations there have been in the City or which technology type's householders have chosen. The publication of this data would greatly assist a local understanding of progress in renewable heat. The Council is seeking funding to install biomass heating on the Rennes House tower block.</p>	<p>Once the details of the RHI are finalised the Council will signpost from its web site.</p>
<p>Zero Carbon Homes</p>	<p>The City council has built [passive house case study etc.] Exeter's adopted Core Strategy mandates that homes build in 2014 and 2016 comply with Code for</p>	

EXETER CITY COUNCIL

	<p>Sustainable Homes level 4 (44% CO₂ emissions reduction on 2006 Part L) and 5 (Zero Carbon) respectively. Other energy related policies require the use of renewable and low carbon energy to achieve a 10% additional reduction in CO₂ emissions and the connection to planned district heating networks in Monkerton, SW Exeter and other parts of the City.</p> <p>Exeter has purchased EPC data for the City. The data contains records on some 18,000 properties (duplicates on 1400). Over 2,500 records contain obviously spurious data (e.g. SAP of 1, zero floor area, energy use of over 1000kW/m²). The data set is skewed toward the rental sector and smaller properties. Fewer poor performing properties appear in the EPC dataset when compared to the Home Condition Survey. The data also indicates that there may be more electrically heat homes than in the CSE dataset. The EPC's for the Council's housing stock shows that 88% are in band D and above and 68% in band C and above. In the private rented sector there are proportionately fewer properties with low (F and G) EPC ratings than indicated by the home condition survey.</p> <p>21% of the City's housing, some 10,500 homes are privately rented. The Council's housing strategy policy on housing enforcement (see http://www.exeter.gov.uk/CHttpHandler.ashx?id=12078&p=0) sets out how it applies housing enforcement powers in the City.</p>	Continue with current activity
EPCs		
Minimum standards in the private rental sector		
Smart meters	<p>The Council will await national policy on smart meters to be more fully developed before deciding if it is appropriate for any local authority intervention.</p>	Evaluate over 2013/14
iii) MEASURES WE PROPOSE TO COST EFFECTIVELY DELIVER ENERGY EFFICIENCY IMPROVEMENTS IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT		
	<p>The Government's Green Deal and ECO Impact Assessment suggest that over 70% of measures installed will be ECO funded. The Council therefore considers that ECO providers will be strongly motivated to identify ECO eligible households and that this may naturally lead to focussed deliver of energy efficiency in particular localities.</p> <p>The Ready for Retrofit project will support the installation of measures in social housing in to June 2015.</p> <p>The District aims to establish a pilot ECO partnership with other local authorities and a Green Deal Provider(s) perhaps using the well-established Cozy Devon brand. The Council's emphasis will be to ensure that solutions are directed to the most deprived and vulnerable households.</p>	
iv) TIME FRAME FOR DELIVERY AND NATIONAL AND LOCAL PARTNERS		
	<p>Partners in the Ready for Retrofit project include the Energy Saving Trust and Regen SW.</p> <p>The City will continue to engage a wide range of partners nationally in government, the business and third sector and community organisations as needed to develop its programmes. The aim is to develop a pilot ECO partnership with other local authorities and a Green Deal Provider(s) during 2013/14.</p>	

EXETER CITY COUNCIL



Signature:

Position: Assistant Director Environment

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – COMMUNITY 3 SEPTEMBER 2013

EXECUTIVE 17 SEPTEMBER 2013

LOCAL AIR QUALITY MANAGEMENT AIR QUALITY ACTION PLAN 2011-2016 AND 2013 AIR QUALITY PROGRESS REPORT

1. PURPOSE OF REPORT

- 1.1 To update Members on the council's duties relating to local air quality management and work being conducted on a Low Emissions Strategy.

2. BACKGROUND

- 2.1 The Environment Act 1995 – Part IV requires Local Authorities to periodically undertake a review and assessment of air quality in their area.
- 2.2 This process involves assessing current levels of pollution and comparing those levels with the relevant standards.
- 2.3 The pollution standards and objectives for the review and assessment process are now formalised in the Air Quality Regulations 2000 and (Amendment) Regulations 2002. The air quality objectives are derived from air quality standards based upon the best available medical and scientific understanding of the effect of individual pollutants on health. The standards are concentrations below which significant risk to public health are unlikely to occur
- 2.4 Exeter City Council declared an Air Quality Management Area (AQMA) in 2007 (amended 2011) because levels of nitrogen dioxide (NO₂) exceeded government objective levels at various locations. The area covers all of the main traffic routes in the city. This boundary was determined using the NO₂ concentration data, which are highest beside busy roads. Further studies showed that the high NO₂ concentrations are caused by traffic emissions along congested routes.
- 2.5 The 2013 Air Quality Progress Report can be viewed following the link below:
<http://www.exeter.gov.uk/index.aspx?articleid=4292&listid=4261>

3. AIR QUALITY ACTION PLANS

- 3.1 Local Authorities are obliged, where an Air Quality Management Area has been declared, to produce an Air Quality Action Plan (AQAP). This should identify and explain measures that will work towards resolving the exceedence of the air quality objective(s). Exeter's first Air Quality Action Plan covered the period 2008-2011 and drew heavily from the Devon County Council Second Local Transport Plan (2006-2011) in order to reduce traffic emissions.
- 3.2 With the replacement of the Second Local Transport Plan in 2012, the Air Quality Action Plan also required updating. The measures within the new plan had to be proportionate to the funding and resources available and acknowledge the significant upward pressures on NO₂ emissions which will result from proposed development in

the greater Exeter area. In recognition of this, the second Air Quality Action Plan sets four key objectives:-

- To describe the impact of predicted growth and existing plans on NO₂ concentrations within the Air Quality Management Area.
- To identify where further improvements are required, how these could be achieved and where multiple benefits can be realised.
- To provide a process for assessing the air quality aspect of the sustainability of future plans and policies.
- To provide tools to engage local communities in air quality issues alongside wider sustainability issues.

3.4 The second Plan identifies that current plans and policies will have a low positive impact on air quality, although it is accepted that there is some uncertainty associated with this. This is a modest predicted change, but should be set against the background of significant development in the city and therefore significant upward pressure on emissions.

3.5 The second Air Quality Action Plan also proposes three areas of further work. These are the development of a Low Emissions Strategy and feasibility study for a Low Emissions Zone, the development of closer links between air quality and climate change work, and the need to increase understanding of the health impacts of poor air quality. Programs of work in these areas will connect air quality to two key national and local policy imperatives; the low carbon agenda and the creation of local Health and Wellbeing Boards.

3.6 There will be an annual Air Quality Action Plan Progress Report published to advise progress in meeting the second Air Quality Action Plan. Subsequent annual reports will summarise data on the air quality change over the previous year, as well as a series of other key indicators such as the use of sustainable travel modes, car use, completion of developments etc.

4. 2013 AIR QUALITY PROGRESS REPORT

4.1 The 2013 Air Quality Progress Report is a review of 2012 monitoring data which shows that there are no exceedences of the objective levels outside the Air Quality Management Area. In fact there is some evidence for a reduction in NO₂ concentrations, however it is not clear whether this is the start of a long-term trend or simply inter-annual variability as a result of changes in weather etc. As a result, it was decided to maintain the current Air Quality Management Area boundary, although the situation will be kept under review.

4.2 The report identified an increase in SO₂ concentrations in the past year, although the concentrations are well below the objective levels, and do not raise cause for concern. This situation will be kept under review in future years.

4.3 The Progress Report also summarises information on potential new sources of local air pollution. Fortunately, no developments were granted planning permission which required mitigation for adverse air quality impacts during 2012.

5. LOW EMISSIONS STRATEGY (LES)

5.1 The Council was successful in obtaining a DEFRA grant for establishing a Low Emission Strategy to identify and implement measures that will reduce transport emissions of nitrous oxides (NO_x) and contribute towards meeting the EU limit values for NO₂, whilst also reducing emissions of particulates, noise and carbon dioxide

(CO₂). The project will be completed within 18 months from commencement and has the following strategic aims:

- a) To integrate low emission strategies into mainstream policy development for transport and planning within Exeter and to influence policy in the greater Exeter area.
- b) To reduce emissions from the Council-owned fleet and grey fleet, including by increased uptake of low emission vehicles.
- c) To work with partners in the private and public sectors to increase the uptake of sustainable transport choices, including low emission vehicles within the greater Exeter area.

5.2 The Council will appoint a suitably experienced and capable consultant with the aim to commence the project in October 2013 with completion by March 2015. The main project aims are contained in Appendix I.

5.4 In order to develop a successful Low Emissions Strategy it needs to involve, consult and work with a range of stakeholders, including locally based businesses and residents to engage them in contributing to sustainable transport decisions.

6. CONCLUSIONS

6.1 Air quality in Exeter is currently stable or possibly improving and the Air Quality Management Area boundaries remain appropriate at this stage. The second Air Quality Action Plan is in place and contains measures which will work towards improved air quality, in the context of delivering sustainable development. The Low Emissions Strategy will be important in achieving this, and in fostering effective partnerships with business, community and Devon County Council. The Action plan also aims to make connections between air quality, carbon and public health policy.

7. RESOURCE AND FINANCIAL IMPLICATIONS

7.1 The second Air Quality Action Plan and management of the Low Emissions Strategy project will be delivered within existing resources. Funding has been successfully bid for and obtained from DEFRA for the delivery of the Low Emissions Strategy.

8. RECOMMENDED

That Executive and Scrutiny Committee – Community:

- 1) note the progress on the Air Quality Action Plan; and
- 2) support the development of a Low Emissions Strategy to fulfil air quality objectives.

ASSISTANT DIRECTOR ENVIRONMENT

ENVIRONMENT DIRECTORATE

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

Background papers used in compiling this report:-

- 1) Exeter Air Quality Action Plan

- 2) 2013 Air Quality Action Plan Progress Report
- 3) 2013 Air Quality Progress Report
- 4) Air Quality Strategy for England – DEFRA
- 5) Air Quality Regulations 2000 and (Amendment) Regulations 2002
- 6) Local Air Quality Management – Technical Guidance – DEFRA
- 7) Local Air Quality Management – Policy Guidance – DEFRA

Appendix I

Objectives for Low Emissions Strategy

There are 3 main project objectives:

1. **To develop an evidence base** for emissions and their impacts for an agreed base year, and evaluate the effects of planned development and current transport policy (as defined in Exeter's Core Strategy and Devon County Council's Local Transport Plan documents).
2. **To engage with Devon County Council, local employers, communities and other partners** within Exeter City Council in order to:
 - a. Establish a steering group and separate stakeholder group.
 - b. Promote potential benefits to stakeholders and nurture partnership working to realise successful outcomes.
 - c. Identify implementation barriers and opportunities to strengthen public awareness of the impact of poor air quality on health and the benefits of sustainable transport options. This will include a review of case studies, developing a local best practice guide, creating partnerships and developing links with community and business groups in order to engage with local communities in making sustainable transport decisions.
 - d. Work with the steering and stakeholder groups to identify viable sustainable transport options, based on the emissions evidence, which could be promoted amongst specific vehicle groups.
 - e. Identify the potential options for a Low Emissions Zone, including the geographic extent, scope and regulatory options for implementation and enforcement. Select a range of Low Emissions Zone options with the steering group for further investigation.
 - f. Quantify the relative socio-economic impacts, barriers, costs and effectiveness (in terms of noise, carbon and local air pollution emissions) of the options identified in steps (d) and (e). Report on the findings of this assessment, cataloguing the decision-making process and supporting information.
 - g. Obtain commitment from employers to take measurable steps to reduce their transport emissions. A target will be set to gain commitments from a specified number of businesses in conjunction with the Devon County Council Sustainable Transport Team who have experience in this area.
3. **Work with partners**, to develop, consult upon and publish a Low Emissions Strategy for the city. This will include stretched but realistic targets for reductions in emissions, and programs of measures which will achieve these (possibly including an Low Emissions Zone, depending on the outcomes of the assessment above).

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PARKWOOD LEISURE SERVICES WORKING GROUP

Monday 3 June 2013

Present:-

Councillors Shiel, Spackman and Sheldon

Also Present

Stephen Hughes, Exeter Contract Manager; Lee Golding, Senior Duty Manager Northbrook Pool, Simon Lewry, Exeter Arena Centre Manager; Steve Lyon, Leisure Facilities Manager; Declan Turner, Graduate Student Placement and Sharon Sissons, Democratic Services Officer (Committees)

13

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Morris, Dave Lewis and Darren Parrott.

14

MINUTES OF MEETING HELD ON 11 MARCH 2013

The minutes of the meeting held on 11 March 2013 were agreed.

15

CUSTOMER FEEDBACK

Customer Comments

Steve Lyon referred to the Customer comments for February and March 2013.

Stephen Hughes reported that the gym enhancements at the Riverside Leisure Centre had been well received; however the gym floor had not been fully replaced. However all of the lockers at the Riverside were now fully functioning. There remained an issue with the air conditioning at the Pyramids and high temperatures had been recorded. He would investigate the temperature issue, but there were five separate areas of the Pyramids, and the air conditioning was controlled centrally.

Customer Focus Groups

Stephen Hughes advised that a Customer Focus Group had been held at the Pyramids and up to 10 clubs had attended. However, focus groups in other centres had not been so successful. There was one attendee at the Riverside Leisure Centre regarding swimming lessons and they were satisfied with the programme. No one came to the meeting at the Northbrook Pool. Councillor Spackman suggested that it might also be that they are either satisfied or that they do not think that they can change anything. Councillor Sheldon considered that a text invitation might be more fruitful.

Steve Lyon added that Clifton Hill Sports Centre had also attracted a low attendance and some constructive comments had been made. Stephen Hughes stated that the athletic focus group will take place soon and he had a feeling that that was likely to be popular. It might be more beneficial to focus on a specific rather than general group for the autumn.

FACILITY IMPROVEMENT PLANS UPDATE

Stephen Hughes, General Manager, Exeter Contract outlined the qualitative improvements for the Exeter Contract, which covered eight sites in Exeter. The report included the agreed qualitative measures, with the baseline figures for 2012 and the targets for the coming year. An update on the Facility Improvement Plans for Northbrook Swimming Pool and the Exeter Arena were presented.

Northbrook Swimming Pool

Lee Golding, the Senior Duty Manager for the Northbrook Swimming Pool, updated the group on the progress made on the Improvement Plan for Northbrook Swimming Pool to September 2013.

He highlighted a number of areas –

IM1 - They had been working with the neighbouring boxing club to resolve some outstanding issues relating to the surface of the car parking area next to the swimming pool.

IM2 - Northbrook Pool had received a good rating, but very effort would be made to strive for further improvement. The cleaning schedule had met the specification.

IM3 – the opening hours were appropriate. The take up of swimming lessons had been very successful, both by the local community and local schools. Northbrook Pool was considered as a good community facility, and every effort was being made to increase the use.

IM4 - Additional external signage outside was still required, with consideration as to how this would be best placed. Stephen Hughes said they were working with DCC. Riverside and Clifton Hill had external directional signs.

IM6 - In response to a comment, Stephen Hughes advised that Northbrook Pool had a good level of club use. Stephen Lyon said they were always looking to see how to distribute club use around the city's swimming facilities and develop a more complementary programme. Northbrook Pool had good community use serving a densely populated area of Exeter.

IM7 - The Sports Development Manager had been working on the Swim 21 accreditation.

IM8 – A new system of cover, through a change in the rotas had been agreed and there was now more time to ensure that the appropriate cover was provided.

IM10 - The apprentice would undertake a lifeguard qualification and also Levels 1 and 2 swimming teaching. It was hoped that following the completion of the apprenticeships there will be the opportunity to continue working at Parkwood Leisure. Every effort was being made to allocate the training more efficiently

IM12 – It was encouraging to have more positive feedback from customers on the recent changes and improvements at the Pool.

IM17 - They would work towards achieving a 'Good' rating at the forthcoming Quest assessment visit.

IM19 – They would increase their use of ‘text blasts’ and use email more effectively. Stephen Hughes advised that text messages would be used to alert special offers with a yes or no response required.

IM21 – The use of inflatables had increased the number of children using the pool. In addition there were seven local schools and five swimming clubs making use of the Pool all year around, and the aim was to increase public use too.

Stephen Hughes stated that the staff at the pool were doing a great job. They would look at increasing numbers using the pool in some classes and also look at increasing the club use to alleviate some of the pressures on the Pyramids Pool.

In response to a comment from Councillor Shiel, Stephen Hughes stated that there were five swimming pool (three main and two learner) pools within a 4 mile radius. There was heavy club use at the Pyramids every evening. Stephen Lyons hoped they could address this in some way.

Exeter Arena

Simon Lewry, Centre Manager presented the Service Improvement Plan for Exeter Arena.

IM2 – They reported progress had been made.

IM3 - Exeter Harriers did not have the Exeter Clubmark accreditation. A meeting was planned for June to discuss obtaining a clubmark qualification.

IM5 - There were changes to the working pattern at the Arena so that there was always a Duty Manager on shift and more time to work on the improvement plan.

IM6 – A log would be kept of the regular patrols by the Maintenance Manager.

IM7 – Training needs were being delivered, with two members of staff due to take a First Aid training course, and there was also in-house training offered by Parkwood.

IM8 – Stephen Hughes reported that succession plans were in place.

IM9 - The Arena had an attrition rate of 14.88% which had now reduced to 7.26%.

IM11 - A customer services survey was due to take place in September. but that was likely to be brought forward before the track closure for resurfacing. The formula and baseline information had been agreed.

IM12 - It was also hoped to introduce a ‘You Said - We Did’ responses to the Customer Comments Boards and have in place by September.

IM14 - Stephen Lyon provided an update on the replacement of the track stating that this work would take place in later in year. There was an agreed budget of £750,000 to replace the track. It was hoped the work could be condensed, but resurfacing was weather dependent and required an ambient temperature to carry out the relaying of the track. The track should be available by June in time, for an event in early July 2014.

IM18 – the use of ‘text blasts had resulted in an increase of 20 memberships.

IM19 - The Arena had the second highest following on Facebook within Exeter's facilities.

IM20 – The bulb replacement programme would be carried out over the summer when there was less demand.

The reports were noted.

17

MEETING DIARY FOR 2013

The following dates were noted:-

Monday 15 July 2013 at 2.30pm in Clifton Hill Sports Centre

Monday 16 September 2013 at 2.30pm in the Pyramids Swimming Centre

Monday 25 November 2013 at 2.30pm in the Riverside Leisure Centre

(The meeting commenced at 2.30 pm and closed at 3.30 pm)

Chair

PARKWOOD LEISURE SERVICES WORKING GROUP

Monday 15 July 2013

Present:-

Councillors Shiel (Chair), Mitchell and Spackman

Also Present representing Parkwood

Stephen Hughes, Exeter Contract Manager, Simeon Lewry and Gary Brown Centre Managers.

Also Present

Leisure Facilities Manager, Halls Manager and Democratic Services Officer (Committees)

18

APOLOGIES FOR ABSENCE

These was received from Councillor Denham and Darren Parrott.

19

MINUTES OF MEETING HELD ON 3 JUNE 2013

Subject to the correct spelling of Simeon Lewry, the minutes of the meeting held on 3 June 2013 were agreed.

20

CUSTOMER FEEDBACK

Customer Comments

Steve Lyon reported that the number of comments received had increased slightly in April and May. An air conditioning unit in the Riverside gym had broken down and a temporary system installed. The Clifton Hill gym equipment was reaching the end of its shelf life and there was an increase in complaints regarding its condition including the TV's attached to the cardio vascular equipment. New equipment would be installed in the week commencing 5 August 2013, the gym to be closed for 10 days. Members would be notified and advised of alternative gyms.

Customer Focus Groups

It had been the intention to hold seven Customer Focus Groups over both the spring and autumn. Six had been held in the spring, the one scheduled for the Arena deferred until 31 July to discuss the track closure. The meetings had been a mixed success with only the Pyramids one well attended. Future focus groups would be subject based - the Pyramids group would consider junior swimming and the Clifton Hill group fitness classes with class instructors to be requested to encourage their class members to attend. Rather than holding the ISCA group meeting at the end of the season the next one would be in mid season with a November date identified to be combined with an open day/free buffet. It was also the intention to offer members the free hire of function rooms at the ISCA bowls centre including the free use of a DJ for weddings and parties. It was hoped that money would be recouped through bar takings

FACILITY IMPROVEMENT PLANS UPDATE

ISCA Bowls Centre

Simon Lewry, Centre Manager, presented the Service Improvement Plan for the ISCA Bowls and Bridge Centre.

He highlighted the following areas:-

IM1 – a roof leak had been fixed.

IM2 - the cleansing regime had been amended including a clean before the customers arrive.

IM3 – on line booking system live but only 10% uptake to date. The system will facilitate better monitoring of usage.

IM6 – with a new secretary appointed further progress would be made with obtaining Clubmark for the Bowls Club.

IM10 – all members are to be informed of free use of function rooms for parties and weddings etc.

IM13 - Nineteen short mat bowls events have been scheduled.

IM20 – increase use of “text blasts” to communicate special offers to customers.

IM22- will work with the Council to consider the best way to replace the existing Direct Fired Unit which was at the end of its useful life.

It was noted that Stephen Hughes would liaise with Dave Lewis regarding increasing the profile of the Centre as a venue for events/functions.

Clifton Hill Sports Centre

Gary Brown, the Senior Duty Manager at Clifton Hill, presented the Service Improvement Plan for the Centre.

He highlighted a number of areas –

IM1 – Devon County Council would be consulted to consider additional signage.

IM2 – the cleaning regime had been improved with earlier cleaning before usage build up during the day and three hourly checks.

IM3 – on line booking was at 50%.

IM4 – provide additional class for 50+.

IM7 – staff rotas changed to allow for Quest training.

IM8 – more regular patrols of the Centre now undertaken.

IM11 – annual offer to students to recognise the time they are not in Exeter. They can freeze their payments in June, July and August at a charge of £5.

IM13 – new gym equipment to be installed from 5 August and there would be a 10 day closure period. The equipment was very heavily used with an average of 40 customers per station compared with 25 at the Riverside. The industry life span of cardio vascular equipment was five years.

IM17 - It was also hoped to introduce a ‘You Said - We Did’ responses to the Customer Comments Boards and have in place by September.

IM19 – strive to achieve a “good” rating at the next Quest Maintenance visit.

IM21 - increase use of “text blasts” to communicate special offers and the forthcoming refurbishment.

IM22 – introduce Facebook and embed its use to communicate with customers and receive real time feedback. Governed by head office in its usage as concerns regarding negative comments. It was noted that the leisurecentres.com site received a number of negative.

The reports were noted.

22

ARENA TRACK

Steve Lyon reported that interested parties including local clubs and athletic associations and the national athletic associations would meet with City Council officers and the consultants - Sportslabs - on 31 July to be briefed on the track replacement programme. The procurement process would commence in September 2013 with work to commence on 2 January 2014. Subject to suitable weather, the track would re-open on 1 July 2014, the works to last six months because of the size of the track with extra drainage works also necessary because of the switch from porous to non porous materials. It was anticipated that the track would then last for approximately 25 years with a re-spray required after 15. The budget was £750,000.

23

MEETING DIARY FOR 2013

The following dates were noted:-

Monday 9 September 2013 at 2.30pm in the Pyramids Swimming Centre
Monday 25 November 2013 at 2.30pm in the Riverside Leisure Centre

(The meeting commenced at 2.30 pm and closed at 3.40 pm)

Chair

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SCRUTINY (COMMUNITY)
MEMBERS' SUGGESTIONS FOLLOWING THE SCRUTINY WORK PROGRAMME MEETING
(JULY 2013)

High Priority Issues:-

- Health issues under new provisions.
- Health and Well Being performance monitoring.
- Recycling Plan annual review.
- Welfare Reform: risk management.

Medium Priority Issues:-

- Community Rights: right to bid/right to challenge etc.
- Community Patrol.

Low Priority Issues:-

- Police and Crime Commissioner: recognising the significance of Exeter.

RAMM Storage to come out of Scrutiny Community.

Housing Strategy to include Private Sector Rental engagement and strategy/joining up separate bits for example, empty homes, secure tenancy agreements, rough sleeper policy and homeless strategy/scrutiny of private sector rental market in Exeter.

Parkwood Leisure Management (Contract update and performance review) to be passed to Scrutiny Economy.

Allotment strategy to be set as Task and Finish group subject.

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