

## EXECUTIVE

Date: Tuesday 1 December 2015  
Time: 5.30 pm  
Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Sarah Selway, Democratic Services Manager (Committees) on 01392 265275.

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

*Membership -*

Councillors Edwards (Chair), Denham, Hannaford, Leadbetter, Morris, Owen, Pearson and Sutton

## Agenda

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

#### **1 Apologies**

To receive apologies for absence from Committee members.

#### **2 Declarations of Interest**

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.

#### **3 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

**RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of items 10, 11, and 12 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

- 4 **Members Allowances 2016/17**
- To consider the report of the Independent Remuneration Panel on Members' Allowances. (Pages 5 - 8)
- 5 **Exeter City Council's Local Council Tax Support Scheme for 2016/17**
- To consider the report of the Assistant Director Customer Access. (Pages 9 - 26)
- 6 **Overview of Revenue Budget 2015/16**
- To consider the report of the Assistant Director Finance. (Pages 27 - 48)
- Scrutiny Committee – Resources considered the report at its meeting on 18 November 2015 and its comments will be reported.
- 7 **Capital Monitoring Statement**
- To consider the report of the Assistant Director Finance. (Pages 49 - 62)
- Scrutiny Committee – Resources considered the report at its meeting on 18 November 2015 and its comments will be reported.
- 8 **Treasury Management - Half Yearly Report 2015/16**
- To consider the report of the Assistant Director Finance. (Pages 63 - 70)
- Scrutiny Committee – Resources considered the report at its meeting on 18 November 2015 and its comments will be reported.
- 9 **Staffing with the Electoral Services Team**
- To consider the report of the Corporate Manager, Democratic & Civic Support, Electoral Registration Officer and Returning Officer (Pages 71 - 74)

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

No representations have been received in respect of the following items in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

10 **Waste Operatives - Staffing**

To consider the report of the Assistant Director Environment.

(Pages 75  
- 96)

Scrutiny Committee – Resources considered the report at its meeting on 18 November 2015 and its comments will be reported.

11 **St James Park Stadium - Redevelopment Scheme**

To consider the report of the Corporate Manager Property.

(Pages 97  
- 102)

Scrutiny Committee – Resources considered the report at its meeting on 18 November 2015 and its comments will be reported.

12 **Additional Events Budgets 2016/17**

To consider the report of the Assistant Director Finance.

(Pages  
103 - 106)

Scrutiny Committee – Resources considered the report at its meeting on 18 November 2015 and its comments will be reported.

**Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Tuesday 8 December 2015** at 5.30 pm in the Civic Centre.

**A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.**

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) 265115 for further information.

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## REPORT TO EXECUTIVE

Date of meeting 1 December 2015

Report of the Independent Remuneration Panel on Members' Allowances

Title:- MEMBERS' ALLOWANCES 2016/17

**Is this a key decision**

No

**Is this an Executive or Council function?**

Council

### **1 What is the report about?**

To consider the recommendations of the City Council's Independent Remuneration Panel in relation to Members' Allowances for 2016/17.

### **2 Recommendation**

That the Independent Remuneration Panel's recommendations regarding the scheme set in paragraph 8 below are agreed by Council.

### **3 Reasons for the recommendation**

The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to advise the local authority on its scheme of Members' Allowances and in particular to recommend the allowance to be paid to members.

The 2003 Regulations permit members' allowances schemes to make provision for an annual adjustment of allowances by reference to a previously agreed index, as well as taking account of local circumstances.

### **4 What are the resource implications including non financial resources**

The budget for the scheme of allowances in 2016/17 totals £258,470 and that sum has been included in the estimates for 2016/17. The Scheme recommended by the Panel for 2016/17 is attached to this report and recommends an increase in the budget of £20,000.

### **5 Section 151 Officer Comments**

The resources required are detailed above and will be added to the 2016/17 budget to be approved in February 2016.

### **6 What are the legal aspects?**

The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to provide the local authority with advice on its scheme of Members' Allowances and recommend the amounts to be paid.

## **7 Monitoring Officer's comments**

There are no issues for the Monitoring Officer.

## **8 Report details**

The Independent Remuneration Panel comprised of two Local Government advisors, and two members of the previous Panel who represented the local business community met on one occasion.

The review process included:-

- consideration of the regional analysis of allowance schemes in other councils;
- the changing nature of the role of Councillors within the City; and
- the continuing appropriateness of the Council's current allowances scheme.

The Panel was supported by the Corporate Manager, Democratic & Civic Support, and Democratic Services Manager.

The Independent Remuneration Panel has made the following recommendations to Council in respect of Members' Allowances for 2016/17 that:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2016/17;
- (2) the basic allowance be increased by £425 to £5,000 per annum, and that all Special Responsibility Allowances be calculated as a multiple of this (as indicated on Appendix A to this report);
- (3) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, should be retained;
- (4) Travel and Subsistence allowances available for staff continue to apply to Exeter City Councillors, where appropriate;
- (5) the current Dependants' Carers' Allowance scheme be maintained and that the level of allowance should now match the Living wage currently offered to the lowest paid Exeter City Council employees of £7.85 (retaining the uplift of the standard rate of income tax, thus increasing the hourly rate to £9.42)
- (6) the the sum of £50 paid to the Independent Persons affiliated to the Audit & Governance Committee for up to four hours work, and £100 for four hours and over, payable to each of the two Independent Persons (up to a maximum of £500 per person in any one year) be retained.

In drawing up its recommendations detailed above, the Panel was mindful of the constraints faced by all local authorities and the Council's current financial position, and also considered the approach adopted in previous years of Members' Allowances increasing in line with any pay awards made to officers.

In drawing up its proposals, the Panel considered:-

- the payment of the living wage to the City Council's lowest paid staff (It was noted that the living wage was currently £7.85 and would increase to £8.25 from 1st April 2016);
- the increasing population of the city, and in particular the levels of growth taking place outside of the City boundaries which would have an impact on the services provided by the City Council, and the need for this to be taken more and more into account when considering service provision;
- the increased partnership and collaborative working now needed between City Councillors and their counterparts in neighbouring authorities, especially with the Greater Exeter Combined Authority approach; and
- the remuneration paid to Exeter City Councillors, which had, in its opinion, fallen in comparison with other benchmarked authorities;
- The forthcoming boundary changes within the City which would lead to larger geographical areas for the majority of City wards;. If the allowance remained aligned to the staff pay increase that would only continue to offer a modest increase;
- the further development of performance monitoring or appraisal, but it was not suggested that this should be aligned to their remuneration.
- It was also noted that meetings of the Constitution Working Group had been convened to discuss an improved alignment of responsibilities to the Committee structure, but that would not alter the level of Member responsibilities.

It was considered that the Lord Mayoralty and Deputy Lord Mayoralty expenses should continue to be aligned to the Basic Allowance.

The Chair of the Panel would attend the Executive and Council meetings to present the report and recommendations.

## **9 How does the decision contribute to the Council's Corporate Plan?**

The need for an up to date Scheme of Members' Allowances ensures that the Council supports the democratic process.

## **10 What risks are there and how can they be reduced**

There are no risks with what is being proposed.

## **11 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

The adoption of a Scheme of Members' Allowances ensures that all interested persons are aware of the remuneration levels available to Councillors.

## **12 Are there any other options?**

The Council has the ability to not accept the recommendations being put forward by the Panel and propose some of its own.

## **DEREK PHILLIPS, CHAIR OF EXETER'S INDEPENDENT REMUNERATION PANEL**

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

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

None

## APPENDIX A

Payable with effect from 1 April 2016

**Basic allowance** payable to all Members - £5,000 per annum

### **\*\*Special Responsibility Allowances**

	<b>15/17</b>
	£
Leader (basic x 325%)	16,250
Other Executive Members with Portfolios (basic x 175%) (x6)	8,750 each
Other Executive Member without Portfolio (basic x 50%) (x1)	2,500
Chairs of Scrutiny Committees (basic x 100%) (x3)	5,000 each
Chair of Planning Committee (basic x 100%)	5,000
Chair of Licensing Committee (basic x 75%)	3,750
Chair of Audit and Governance Committee (basic x 50%)	2,500

*\*\* Any Member qualifying for more than one special responsibility allowance is paid the higher allowance only*

<b>Lord Mayor's Expenses Allowance</b>	5,000
<b>Deputy Lord Mayor's Allowance</b>	1,250

### **Dependents' Carers' Allowance**

Allowance in line with the living wage offered to the lowest paid City Council employee of £7.85 plus an uplift of the standard rate of tax. £9.42 per hour (or part) is payable to Councillors whilst on "approved duties." with effect 1 April 2015.

*NB This sum will rise to £8.25 (retaining the uplift of the standard rate of income tax, thus increasing the hourly rate to £9.91)*

### **Travel and expenses**

To match those payable to officers of the Council for any approved duties undertaken, with travel expenses being paid for any journeys undertaken outside of the City boundaries.

December 2015



**REPORT TO: EXECUTIVE****Date of Meeting: 1 December 2015****Report of: Assistant Director Customer Access****Title: Exeter City Council's Local Council Tax Support Scheme for 2016/17****REPORT TO: COUNCIL****Date of Meeting: 15 December 2015****Is this a Key Decision? No****Is this an Executive or Council Function? - Council****1. What is the report about?**

1.1 This report is presented to seek members' views on the local Council Tax Support (CTS) Scheme for working age residents for 2016/17. The local CTS scheme started in April 2013 and members are required to agree the Scheme rules annually.

1.2 The local CTS working age Schemes agreed by members in previous years follow a CTS means-test calculation based on the pre April 2013 national Council Tax Benefit<sup>1</sup> regulations with the following components:

- Means test on 80% Council Tax liability
- Capital maximum of £6k
- Removal of Alternative Maximum Council Tax Support (known as second adult rebate)
- Provision of an Exceptional Hardship Fund

**2. Recommendations:**

2.1 That Executive recommends to Council the continuation of the current 2015/16 CTS scheme for working age customers for the financial year 2016/17.

**3. Reasons for the recommendation:**

3.1 Chief Financial Officers presented a report to Devon Local Government Steering Group in May 2015<sup>2</sup>. The opinion of this group was that it was preferable to maintain schemes for 2016/17 and work towards the possibility of making changes for 2017/18. The majority view was that no authority wanted to be the first to make further cuts to this benefit while other authorities maintain support at existing levels.

3.2 Largely due to a reducing caseload and pro-active work which has been undertaken to identify fraud and error, the latest projections indicate that an unchanged scheme for 2016/17 will cost less than the amount budgeted in 2013/14. (The budget for 2013/14 was £7,067,596)

3.3 Maintaining the scheme into 2016/17 will allow the details of proposed and forthcoming welfare reforms to be known. Their impacts can then be factored into a scheme for the following year.

3.4 In order to make changes to the working age CTS scheme, ECC will need to consult on the proposed changes with the residents of Exeter, stakeholders and the major

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<sup>1</sup> The Council Tax Benefit Regulations 2006 (S.I 2006/215)

<sup>2</sup> Council Tax – Future Strategy 15 May 2015

precepting authorities. A Supreme Court decision in 2014<sup>3</sup> has imposed strict new criteria for the form of this consultation. In addition to proposing details of how reductions can be made, options must be presented which show how schemes can be maintained through reductions in other services or using other resources. Public consultation will need to take place for a period of up to 12 weeks<sup>4</sup> at an estimated cost of £20,000 plus additional costs of communicating with affected customers about a changed Scheme.

- 3.5 Devon County Council representatives attend the Devon Benefit Officer Group (DBOG) meetings and have indicated their agreement in principle to CTS schemes remaining unchanged. This constitutes consultation with the preceptors as key scheme discussions are reported and minuted at these meetings and also copied to both the Fire & Police authorities for comment. Any decisions made by individual authorities outside this agreement will require separate consultation.
- 3.6 Continuation of the current CTS scheme will allow for further analysis within the 'Help Me With my Financial/Housing Problem' System by developing tax payer profiling, payment propensity and the further development of pro-active collection initiatives within the 'One View of Debt' System.
- 3.7 Further revision of the CTS Scheme, including reducing or removing entitlement to CTS, may need to include transitional protection<sup>5</sup> for groups or individuals affected by the change and may have adverse equality impacts. Any transitional protection agreed will need to be calculated into the overall CTS expenditure.

#### **4. What are the resource implications including non financial resources.**

- 4.1 If the CTS scheme is changed, the CTS administration and payment IT system will need to change too. The cost of updating the IT system will depend on the changes made to the calculation criteria within the new proposed CTS scheme. At present Capita's Academy system supports both Housing Benefit & Council Tax Support schemes. To make unique scheme changes, which moves our CTS scheme away from a national scheme, will incur further software costs.
- 4.2 ECC's current CTS scheme follows roughly the same means-test principles that are applied to the calculation of Housing Benefit. As the CTS scheme criteria changes these two benefits may further separate in administration and calculation, requiring more time per case where the customer has a joint Housing Benefit and Council Tax Support claim. The added administrative resource implication of a CTS scheme change could have a direct impact on prompt assessment and payment performance for our customers and the forecast CTS budget if backlogs occur.
- 4.3 The CTS scheme is currently demand led, this means that an increase in our CTS caseload for either working age or pension age claims will directly impact the cost of the scheme and could rise above the estimated annual budget. The reasons for an unexpected increase in our caseload could come from economic impact such as a

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<sup>3</sup> R (on the application of Moseley (in substitution of Stirling Deceased)) (AP) (Appellant) v London Borough of Haringey (Respondent)

<sup>4</sup> DCLG Localising Support for Council Tax Statement of Intent, May 2012 HM Government Consultation Principles: Guidance, November 2013

<sup>5</sup> Local Government Finance Act 1992 (as amended) Sch. 1A (5)

large local employer closing down or an increase in migration of low income households into Exeter.

- 4.4 A review of local CTS schemes by the DCLG is scheduled to begin in late 2015. At this stage it is not known whether the review will recommend significant changes to the national scheme or attempt to influence local scheme designs. It may be prudent to timetable any CTS scheme changes in line with this review if possible to minimise the administrative complexity.
- 4.5 Amending our CTS scheme in order to reduce the overall scheme cost will directly impact the working age caseload. This group will be required to pay more towards their Council Tax liability, which is likely to have an adverse effect on Council Tax collection rates.

**5. Section 151 Officer comments: -**

- 5.1 The Medium Term Financial Plan has no expectation of savings being made in this area, and therefore there would be no adverse impact on the Council's financial position from agreeing to the recommendation in the report. The Section 151 Officer agrees that the risk to Collection Rates must be taken into account when considering future alterations to the scheme.

**6. What are the legal aspects?**

- 6.1 As already identified in the body of this report, if members were minded to change the Scheme, we are required to consult the public on the proposed changes. The Council would also need to undertake any Equality Impact Assessment of any proposed changes to the Scheme following members' consideration.

**7. Monitoring Officer's comments:**

- 7.1 This report raises no issues for the Monitoring Officer.

**8. Report details:**

- 8.1 CTS caseload and therefore overall expenditure, has dropped each year since April 2013. The CTS Scheme for 2014/15 ran at a total cost of £6,448,624. The 2015/16 CTS Scheme total running cost is currently £6,237,021<sup>6</sup>.
- 8.2 If the current caseload reduction continues, CTS expenditure will fall, however outside influences (as discussed at paragraph 4.3 above) could increase ECC's CTS expenditure, for example if more working age residents need help to meet their Council Tax liability and qualify for CTS under our current scheme criteria.
- 8.3 The table below shows the projected CTS expenditure for 2016/17 if the scheme remains unchanged. This projection is based on a 2% Council Tax increase with an inflation increase and up rating of some applicable amounts and non-dependant deductions in the current scheme:

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<sup>6</sup> Caseload figures at 18.09.2015

<b>2016-17 Charge Estimate</b>	<b>ECC</b>	<b>DCC</b>	<b>Fire</b>	<b>Police</b>	<b>Total</b>
2015-16 Band D	£135.05	£1,161.27	£78.42	£169.47	£1,544.21
2016-17 Increase	2.00%	2.00%	2.00%	2.00%	2.00%
2016-17 Band D Charge	£137.75	£1,184.50	£79.99	£172.86	£1,575.10
2016-17 Ratio	8.75%	75.20%	5.08%	10.97%	100%
2016-17 CTS	£564,899	£4,854,901	£327,964	£708,222	£6,455,985

8.4 As at 01.10.2015, Council Tax collection is on target. It is projected that the 96.5% collection target will be met at the end of the financial year. This target now incorporates a provision for reduced collection on CTS cases. Further work is being undertaken to enable identification of collection rates and arrears for CTS cases.

8.5 This report recommends no change to the scheme for 2016/17 but options for the 2017/18 CTS scheme that members may wish to consider are:

i) The introduction of a minimum income floor for working age self-employed CTS claims after an initial 12 months trading. This follows the provision in Universal Credit regulations<sup>7</sup>. Our local scheme could introduce a minimum income expectation based on an assumption that the claimant was working 35 hours weekly multiplied by the national minimum wage. It would need to include robust criteria and protections for the vulnerable. This would affect most current self-employed claims including single, couples, lone parents and households with disability and/or caring responsibilities. The projected savings to the CTS scheme budget with this change would be £147,490. The total saving to ECC would be £12,905 when our 8.75% share of Council Tax collection is taken. A full equality impact assessment would need to be completed if Members wish to pursue this option.

ii) The working age CTS scheme can be adapted by changing the current means test. The excess income taper for earned and non-earned incomes is currently set at 20%, in line with the previous Council Tax Benefit regulations. This taper could be increased to 35%, meaning more of a claimant's money would need to be put towards Council Tax. This change would affect all current non passported working age CTS claims including single, couples, lone parents and households with disability and/or caring responsibilities, with a disproportionate effect on working households. Projections suggest this change would affect 923 households, with an average loss of £188 per year. This change could reduce the cost of the scheme by £173,338, saving ECC £15,167. A full equality impact assessment would need to be completed if Members wish to pursue this option.

iii) The current scheme limits support to a maximum of 80% Council Tax liability. By reducing this maximum level significant savings can be made as all working age households would be affected. Bringing the level down to 70% of liability would reduce scheme costs by £360,324, saving ECC £31,528. Once again, a full equality impact assessment would need to be completed if Members wish to pursue this option.

iv) Introducing a Council Tax band restriction, where help is based on the charge at a lower band, will yield limited budget savings. Restricting help for claims at band C or above to the level of a band B property would reduce scheme costs by £158,589, saving ECC £13,877.

<sup>7</sup> S.I. 2013/376

8.6 Savings are based on caseload modelling as at 18 September 2015 and are indicative only. Savings assume only one change is made to the scheme. If more than one parameter is changed, the savings will not be cumulative, due to some customers becoming nil entitled. Any or all of these options can be explored further for 2017/18.

**9. How does the decision contribute to the Council's Corporate Plan?**

9.1 'Help me back to financial independence'- Point 133 'Improve the way we deal with visitors to our Customer Service Centre who have financial and housing problems so they receive timely and cost effective advice'. Recommendation to keep CTS scheme the same to support Exeter working age residents to manage finances without additional financial burdens for 2016/17 and taking pro-active steps to help customers manage payments to ECC & reduce their debts to encourage financial independence.

9.2 Any future working age CTS scheme changes would be fully equality impact evaluated under the corporate vision above to inform members' decisions.

**10. What risks are there and how can they be reduced?**

10.1 Legal challenge to the CTS scheme. The current 2015/16 CTS scheme carries a full equality impact assessment completed in October 2012 following the public consultation. The risk of legal challenge to the 2016/17 CTS scheme is reduced by keeping the current CTS scheme rules.

10.2 Working age/child poverty issues. There could be potential financial impact on the working age residents of Exeter if the CTS scheme is changed to make further savings. Some working age residents are also subject to other financial welfare reforms introduced in April 2013 and will be impacted by the next round of welfare reforms from April 2016. Further financial impact on working age Exeter residents may have an adverse impact on Council Tax collection rates. The risk of further financial impact to the working age residents of Exeter can be reduced by keeping the current CTS scheme rules

10.3 Further revision of the CTS scheme that reduces or removes entitlement to CTS may need to include transitional protection for some working age residents who are adversely affected. Any transitional protection will need to be agreed by members and calculated in the overall CTS budget.

10.4 Exeter City Council would likely be the only local authority in Devon to propose a change to the CTS scheme for 2016/17. This may have an adverse impact on the authority's reputation and generate negative publicity. Keeping the CTS scheme the same for 2016/17 will match the proposed actions of most other authorities in Devon as agreed at Devon Local Government Steering Group in May 2015.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

11.1 2015 Vulnerability Statement attached at appendix 1

**12. Are there any other options?**

12.1 The option exists for members to change the current CTS scheme to make savings on the forecast 2016/17 CTS expenditure as suggested at section 8 above. Any change will require full financial modelling against agreed budget savings required and full equality impact assessment to take place before implementation. The timescales do not allow for proper consultation of Exeter residents, stakeholders and our major precepting authorities which would result in an amended scheme being open to legal challenge.

**Bindu Arjoon**  
**Assistant Director Customer Access**

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

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

Local Government Finance Act 1992 (as amended)

HM Government, Consultation Principles: Guidance, November 2013

Department for Communities and Local Government, Localising Support for Council Tax, Vulnerable people – key local authority duties, February 2014

Contact for enquires:  
Democratic Services (Committees)  
Room 2.3  
01392 265275



# **Council Tax Support Scheme**

## **Vulnerability Statement**

October 2015

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- 2 Purpose of the vulnerability statement
- 3 Accessibility of the Council Tax Support scheme
- 4 Statutory framework and other considerations
- 5 The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (Pensioners)
6. Equality Act 2010 (Protected characteristics including applicants defined as Chronically Sick and Disabled)
7. Child Poverty Act 2010 (Households with children)
8. Housing Act 1996 (Prevention of Homelessness)
9. Armed Forces Covenant
10. Work incentive
11. Council Tax Support Exceptional Hardship Fund



## **1. Introduction**

With effect from 1 April 2013 Exeter City Council established a local Council Tax Support scheme replacing the national Council Tax Benefit statutory scheme for working age people (S.I 2006/215). The new scheme has adopted the core elements of the previous Council Tax Benefit statutory scheme, which was a proven and robust system of support that gave financial support to the most vulnerable.

The Government has been clear that in developing a local Council Tax Support scheme, vulnerable groups should be protected. Other than statutory protection for low income pensioners the Government has not prescribed other groups that local councils should support. Exeter City Council has tailored the scheme to take account of the legislation that protects vulnerable people.

## **2. Purpose of the vulnerability statement**

This statement sets out Exeter City Council's approach to defining and assisting those deemed as vulnerable. In doing so it seeks to:

- Protect those who are state pension credit age
- Help those who are trying to help themselves
- Encourage and support people both into employment and those already in employment

## **3. Accessibility of the Council Tax Support Scheme**

In order to ensure that all customers have equal access to Council Tax Support, Exeter City Council is committed to ensuring that information is available through different communication channels and in a range of formats designed to engage all vulnerable and hard to reach customers within our community.

In doing this, we will ensure that:

- We aim to make all information about our Council Tax Support scheme available in alternative formats and languages.
- Claim forms for Council Tax Support will be available on line or by visiting our offices.
- Customers can contact us by telephone or email, or have face-to-face contact at our offices or by requesting a visit to their home.
- Additional information about our Council Tax Support scheme will be available on our website and will be publicised in additional media.

- We will work closely with community and voluntary groups and other agencies who support our customers to ensure they can access the Council Tax Support they are entitled to.

#### **4. Statutory framework and other considerations**

In developing this policy Exeter City Council has taken account of the following legislation:

- Local Government Finance Act 1992 (as amended) (protection for low income pensioners)
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) (protection for low income pensioners)
- Equality Act 2010 (public sector equality duty)
- Child Poverty Act 2010 (duty to mitigate the effects of child poverty)
- Housing Act 1996 (duty to prevent homelessness)

It also takes account of:

- Work incentive principles set out in the Welfare Reform Act 2012
- Armed Forces Covenant 2011
- Department for Communities and Local Government (DCLG), Localising Support for Council Tax, Vulnerable people – key local authority duties. February 2014

#### **5. Local Government Finance Act 1992 & The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 – State Pension Credit Age Applicants**

##### **5.1 Definition**

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 prescribes the classes of pensioners entitled to a reduction under the statutory scheme.

##### **5.2 Eligibility under The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012**

- Applicants in receipt of guaranteed pension credit or who have income below their applicable amount will receive full council tax support subject to relevant non-dependent deductions (Class A)
- Those applicants who have income in excess of their applicable amount will have 20% of the excess income deducted from their maximum support and will also be subject to relevant non-dependent deductions (Class B).
- Someone who has attained the qualifying age for state pension credit and has at least one second adult living with them will qualify for

Alternative Maximum Council Tax Reduction (Second Adult Rebate). A second adult is someone who is not the applicant's partner and not someone who pays rent on a commercial basis. Typically a second adult is an adult friend or relative who is on a low wage and/or other welfare benefits (Class C).

- Council Tax Support for state pension credit age applicants and Second Adult Rebate cannot be paid together; it will be the highest entitlement that will determine which support is paid.

## **6. Equality Act 2010 (Protected characteristics including applicants defined as Chronically Sick and Disabled)**

### **6.1 Definition**

As part of the Equality Act 2010 (section 149) the Council has paid due regard to the following in designing its Council Tax Support scheme:

- Eliminate unlawful discrimination (harassment, victimisation and any other prohibited conduct)
- Advance equality of opportunity between those people who share a relevant protected characteristic and people who do not share it
- Foster good relations between those who share a relevant protected characteristic and people who do not share it

The relevant protected characteristics, as defined by the equality duty, are:

- Age (including children and young people);
- Disability;
- Gender reassignment;
- Pregnancy and maternity;
- Race;
- Religion or belief;
- Sex;
- Sexual orientation.

Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)

In developing the Council Tax Support scheme and this statement, Exeter City Council has undertaken an Equality Impact Assessment (EIA) and given due regard to its findings to ensure it does not lead to unlawful discrimination.

The following pieces of legislation set out the council position and responsibility for those who are disabled:

- Chronically Sick and Disabled Persons Act 1970
- Disabled Persons (Services, Consultation and Representation) Act 1986
- Disability Discrimination Act 1995
- Equality Act 2010

## **6.2 How this statement addresses the issues of disability**

Exeter City Council's Council Tax Support Scheme maintains the key elements of the previous Council Tax Benefit statutory scheme, and as such provides protection in the overall calculation of support for disabled customers and family members.

Our Council Tax Support Scheme continues to disregard income received specifically relating to disability in the financial assessment as defined in the previous Council Tax Benefit statutory scheme. This means that all income received from defined disability income will not be included. The affect of this is that these customers retain more of their income before their Council Tax Support is reduced.

In addition to this, the calculation of support also includes all of the premiums which existed under the previous Council Tax Benefit statutory scheme:

- Disability Premium – awarded when a customer or their partner (if any) is disabled and receive either a qualifying disability benefit or meet defined disability criteria
- Enhanced Disability Premium – awarded where either the customer or their partner or a dependent child is in receipt of a qualifying disability benefit or component.
- Severe Disability Premium – awarded when both customer or their partner (if any) are both severely disabled and receive either a qualifying disability benefit or meet defined disability criteria
- Work related activity component – where this component is awarded to a customer or their partner's Employment and Support Allowance
- Support component – where this component is awarded to the customer or their partner's Employment and Support Allowance
- Disabled Child Premium – awarded for all children in the household who receive a qualifying disability benefit.

In all situations where a customer or their partner (if any) is classed as disabled under the scheme, then no non-dependant deductions are made where the customer or their partner is registered blind or where they are in receipt of the Care Component of Disability Living Allowance or the Daily Living Component of Personal Independence Payments.

## 7. Child Poverty Act 2010

### 7.1 Definition

The Child Poverty Act 2010 places the following duties on local authorities and their partners to:

- Co-operate to tackle child poverty in their area
- Prepare and publish a local child poverty needs assessment
- Prepare a joint local child poverty strategy
- Take child poverty into account when preparing or revising their Sustainable Communities Strategy

In partnership, Devon County Council and all the district councils, including Exeter City Council, have signed up to the Devon Strategic Partnership's Child Poverty Strategy. In developing the Council Tax Support scheme and this statement Exeter City Council has taken into account the Local Child Poverty Needs Assessment and the Child Poverty Strategy.

Furthermore, Exeter City Council has taken account of the Government's National Strategy for tackling child poverty: *Tackling the causes of disadvantage and transforming families' lives published in April 2011.* (<https://www.education.gov.uk/publications/standard/publicationDetail/Page1/CM%208061>). The Council Tax Support scheme therefore supports the key measures within this strategy to strengthen families, encourage responsibility, promote work and guarantee fairness and provide support to the most vulnerable.

### 7.2 How this statement addresses the issue of child poverty

Exeter City Council's Council Tax Support Scheme maintains the key elements of the previous Council Tax Benefit statutory scheme, and as such provides protection in the overall calculation of support for families.

These allow for the following incomes to be disregarded in the financial assessment of Council Tax Support:

- All Child Benefit
- All Child Maintenance
- All other income payable to children
- Up to £175.00 per week for one child and £300.00 per week for two or more children towards childcare payments, for working families under defined criteria.

When assessing a claim for Council Tax Support a family's income will be compared to their applicable amount (living allowances). The applicable amount contains the following elements:

- Child personal allowance – an allowance for each dependant child in the applicant's household

- Family Premium – where there is at least one child in the household
- Disabled Child Premium – where a child is in receipt of any component of Disability Living Allowance or Personal Independence Payments or is registered blind or is treated as blind.
- Enhanced Disability Premium – where a child is in receipt of the highest rate of the care component of Disability Living Allowance or the Enhanced Daily Living Component of Personal Independence Payments.

### **Child care disregards**

To support families who are working and those going into work, allowances are made from earnings in respect of eligible childcare costs when defined criteria (below) are met and the childcare is provided by a registered childcare provider or after school club.

A weekly childcare disregard is applied under the following criteria:

Where a customer is a lone parent and works 16 or more hours each week

Where a couple both work 16 hours or more each week

Where one partner works 16 or more hours each week and the other partner is incapacitated, a hospital in-patient or is in prison.

## **8. Housing Act 1996 & Homelessness Act 2002**

### **8.1 Definition**

Under the Housing Act 1996 Exeter City Council has a duty to help homeless people defined as priority need and to prevent homelessness within vulnerable groups. Where people apply to Exeter City Council for assistance we will give careful consideration to the circumstances that have led to homelessness and make our decisions on accommodation provision accordingly. Under the Homelessness Act 2002 Exeter City Council has a duty to prevent homelessness and provide a homelessness advice service, further information on this can be found in Exeter's Homelessness Strategy 2008 & Homelessness Strategy Action Plan Update 2011 at <http://www.exeter.gov.uk/index.aspx?articleid=10040&detailid=3641>

### **8.2 How this statement addresses the issues within the Housing & Homelessness Acts**

- Exeter City Council will ensure that any applicant who is supported under our Homelessness Strategy will also be supported to apply for Council Tax Support once they have secured accommodation
- Exeter City Council will ensure that any applicant at risk of homelessness will be assisted to apply for Council Tax Support where an appropriate liability to pay Council Tax exists. Measures will also be taken to ensure that the correct Council Tax Support has been awarded to minimise any Council Tax arrears that could contribute to financial vulnerability and homelessness.

## **9. Armed Forces Covenant 2011**

### **9.1 Definition**

In 2011 the Government launched the tri-service armed services covenant.

A Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. It is intended to complement, at local level, the Armed Forces Covenant, which outlines the moral obligation between the Nation, the Government and the Armed Forces.

The aim of the Armed Forces Community Covenant is to:

- encourage local communities to support the Armed Forces community in their areas
- nurture public understanding and awareness amongst the public of issues affecting the Armed Forces community
- recognise and remember the sacrifices faced by the Armed Forces community
- encourage activities which help to integrate the Armed Forces community into local life
- encourage the Armed Forces community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement

Exeter City Council has signed up to the Armed Forces Covenant and has considered this obligation within the Council Tax Support scheme.

### **9.2 How this statement meets the Armed Forces Covenant**

- Exeter City Council will continue to disregard War Disablement Pension and War Widows Pension payments from the calculation of Council Tax Support under the provision of s.139 of the Social Security Administration Act 1992 as applied locally under the previous Council Tax Benefit statutory scheme.
- A higher earnings disregard (£20.00 per week) for an applicant or their partner who is an Armed Forces reservist

## **10. Work incentive**

### **10.1 Definition**

As part of the Council Tax Support scheme Exeter City Council supports incentives for applicants to return to work and gives support to those already working to increase the hours they work, wherever possible.

The Council Tax Support scheme reflects the following principles:

- People should get more overall income in work than out of work.

- People should get more overall income from working more and earning more.
- People should be confident that support will be provided whether they are in or out of work that it will be timely and correct and that claiming will not be a complicated and frustrating experience.

## **10.2 How this statement provides work incentives**

Exeter City Council supports applicants back into work & to reach financial independence. The Council Tax Support scheme achieves this by supporting both customers in receipt of benefits or on a low income.

Support is reduced based upon a 20% withdrawal rate. This means that where a customer's income exceeds their applicable amount a deduction of 20p for every £1 will be made from Council Tax Support.

- When calculating weekly earned income a net figure is used, this is gross earnings less all Income Tax, National Insurance contributions (not voluntary contributions) and half of any pension contribution. In addition one of the following disregards is applied:
  - £5.00 of weekly earnings for single customers
  - £10.00 of weekly earnings for couples
  - £20.00 of weekly earnings for people who are disabled or long term sick, carers or part-time fire fighters, auxiliary coast guards, part-time life boat workers and members of the Territorial Army and other reserve forces
  - £25.00 of weekly earnings for lone parents
- Where the applicant or their partner is able to undertake work on or above a defined number of hours then an additional earnings disregard is applied;
- A childcare costs disregard of up to £175.00 for one child or up to £300.00 for two or more children is given where the applicant or their partner is working and meet specified criteria, please see childcare disregards above at 7.2.
- An additional four week extended payment of support is awarded when the customer moves into work and meets specified conditions. The extended payment gives support at the pre work entitlement to allow for the additional costs incurred when starting work.



## **11 Council Tax Support Exceptional Hardship Fund**

Exeter City Council recognises that there may be exceptional circumstances where customers are unable to meet the shortfall between their Council Tax liability and the Council Tax Support they receive.

Exeter City Council's Exceptional Hardship Fund Policy ensures that those who are most vulnerable and in greatest financial hardship can access additional financial assistance from the Exceptional Hardship Fund.

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## **REPORT TO RESOURCES SCRUTINY COMMITTEE**

**Date of Meeting: 18 November 2015**

## **REPORT TO EXECUTIVE**

**Date of Meeting: 1 December 2015**

## **REPORT TO COUNCIL**

**Date of Meeting: 15 December 2015**

**Report of: Assistant Director Finance**

**Title: OVERVIEW OF REVENUE BUDGET 2015/16**

### **Is this a Key Decision?**

;

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

- 1.1 To advise Members of the overall projected financial position of the HRA & General Fund Revenue Budgets for the 2015/16 financial year after six months and to seek approval for a number of supplementary budgets.

#### **2. Recommendations:**

It is recommended that Scrutiny Resources Committee and the Executive note the report and Council notes and approves (where applicable):

- 2.1 The General Fund forecast financial position for the 2015/16 financial year;
- 2.2 The HRA forecast financial position for 2015/16 financial year;
- 2.3 The additional supplementary budgets listed in Appendix C;
- 2.4 The outstanding Sundry Debt position as at September 2015;
- 2.5 The creditors' payments performance;
- 2.6 The Council Tax and Business Rates collection performance.

#### **3. Reasons for the recommendation:**

- 3.1 To formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

**4. What are the resource implications including non financial resources.**

4.1 The impact on the General Fund working balance, HRA working Balance and Council Own Build working balance are set out in sections 8.3.6, 8.2.1 and 8.2.3 respectively.

4.2 A request for a supplementary budget totalling £25,000 has been included in the report.

**5. Section 151 Officer comments:**

5.1 The report represents the projected financial position to 31 March 2016. In respect of the year end projections, the overall position in respect of the General Fund is positive, with a reduction in the estimated to the working balance. The significant variance is down to 2 key factors, the proposed change to the Council's MRP policy and the substantial increase in income generated by Housing Benefit overpayments.

**6. What are the legal aspects?**

6.1 There are no legal aspects to the report.

**7. Monitoring Officer's comments:**

7.1 This report raises no issues of concern for the Monitoring Officer

**8. Report details:**

8.1 Financial Summary

<b>FUND</b>	<b>Planned Transfer (to) / from Working Balance</b>	<b>Budget Variance Over / (under)</b>	<b>Outturn Transfer 2015/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	1,335,160	(1,644,085)	(308,925)
HRA	2,959,182	(1,175,246)	1,783,936
Council own Build Houses	(37,800)	0	(37,800)

8.2 Housing Revenue Account (Appendix A)

8.2.1 The first quarter projection shows an improvement against the estimated budget reduction in the working balance. The projected reduction is £1,783,936 to leave the working balance at £5,952,596.

<b>Movement</b>	<b>2015/16</b>
Opening HRA Balance, as at 01/04/15	£7,736,532
Deficit	(£1,783,936)
<b>Projected balance, as at 31/3/16</b>	<b>£5,952,596</b>

8.2.2 The key variances are as follows:

Management Unit	Over / (Underspend)	Detail
Management Costs	(£124,700)	<ul style="list-style-type: none"> <li>• The introduction of mobile working in housing services is progressing with the acquisition of handheld devices and system interface work, however further spend is pending a wider review of the housing management IT system. It is therefore estimated that £50,000 of the budget will need to be deferred until 2016-17.</li> <li>• Savings in employee costs are expected due to vacant posts and successful applicants to certain posts being appointed part-way through the financial year.</li> </ul>
Repairs and Maintenance Programme	(£1,039,612)	<ul style="list-style-type: none"> <li>• As previously reported in June, significant savings are expected to be achieved in respect of the damp ingress contract following lower tender prices coupled with a lower level of remedial repairs compared to original estimates.</li> </ul> <p>Savings have also been achieved through utilising scaffolding already in place for the external painting programme, where possible.</p> <p>The budget also made allowance for unidentified flats and houses suffering damp ingress but the number of properties has remained relatively stable at approx 330.</p> <ul style="list-style-type: none"> <li>• The forecast saving has been adjusted in accordance with advice received from the external project managers.</li> </ul>
Capital Charges	£66,196	<ul style="list-style-type: none"> <li>• Depreciation charges are higher than budgeted due to a rise in the valuation of housing assets. Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for the cost of future capital works or to repay debt</li> </ul>

8.2.3 The Council's new 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. There is no projected variance to the projected surplus at the end of the first quarter.

<b>Movement</b>	<b>2015/16</b>
Opening Council Own Build, as at 01/04/15	£127,995
Surplus	37,800
<b>Projected balance, as at 31/3/16</b>	<b>£165,795</b>

8.3 General Fund (Appendix B)

8.3.1 The Service Committees show projected underspends of £721,680 against a revised budget of £13,492,220. The main variances are:

8.3.2 **Scrutiny Committee Community – (An overspend in total of £77,730)**

Management Unit	Over / (Underspend)	Detail
Public Safety	(60,920)	<ul style="list-style-type: none"> <li>• Contribution from the Housing Revenue Account towards the cost of continuing the Home Call Alarm service to residents in the Council's older persons accommodation</li> <li>• Expenditure on overtime and other pay budgets is expected to be less than the annual budget.</li> </ul>
Parks and Open Spaces	58,910	<ul style="list-style-type: none"> <li>• Redundancy payments have been incurred as a result of the Public Realm restructure. This expenditure will be funded from the earmarked reserve.</li> <li>• An underspend is anticipated on the equipment tools and materials budget</li> </ul>
Advisory Services	(£60,980)	<ul style="list-style-type: none"> <li>• Savings on pay budgets due to vacancies</li> <li>• Payments to temporary accommodation providers lower than budgeted</li> <li>• Corresponding reduction in income due to reduced usage of temporary accommodation</li> </ul>

Management Unit	Over / (Underspend)	Detail
Private Sector Housing	£45,200	<ul style="list-style-type: none"> <li>Lower than budgeted level of licence fee income. Work is being undertaken to map unlicensed HMO properties in order to initiate door to door visits.</li> </ul> <p>This was highlighted as a budgetary risk in June.</p>
Domestic Refuse Collection	86,000	<ul style="list-style-type: none"> <li>Agency costs are expected to exceed the estimates mainly as a result of significantly higher levels of absences (sickness, suspension and phased return) than assumed when calculating the budget.</li> </ul>
Cleansing Chargeable Services	42,000	<ul style="list-style-type: none"> <li>Income from Trade Refuse expected to be less than the estimates, offset by reduced waste disposal costs.</li> <li>The contractor dealing with the processing of garden waste has gone into liquidation. While an alternative contractor has been engaged, the price has significantly increased</li> <li>Income from Trade Recycling expected to be less than estimated partially offset by some small cost savings.</li> </ul>
Recycling	52,500	<ul style="list-style-type: none"> <li>Prices achieved for reclaimed materials are below those estimated</li> </ul>
General Fund Housing - Property	(£49,750)	<ul style="list-style-type: none"> <li>The cost of repairs in respect of Private Sector Leased properties has significantly reduced, as a result of an action plan to address this area of budgetary pressure. Under-occupied properties have also been handed back to the landlords.</li> </ul>

### 8.3.3 Scrutiny Committee Economy – (An underspend in total of £231,520)

Management Unit	Over / (Underspend)	Detail
Estates Services	£83,820	<ul style="list-style-type: none"> <li>• Non Domestic Rates expenditure expected to exceed the budget.</li> <li>• Income from South Street and Guildhall shopping centre anticipated to be less than budget.</li> <li>• Pay budget anticipated to underspend as is the budget to fund the potential trading loss at Exeter Business Centre.</li> </ul>
Car Parking	(£114,200)	<ul style="list-style-type: none"> <li>• Income from Off Street parking fees expected to exceed budget.</li> <li>• Additional expenditure anticipated in respect of pay by phone and credit card transaction fees.</li> </ul>
Economic Development	£45,610	<ul style="list-style-type: none"> <li>• Following the secondment of the Assistant Director Economy on 1 July 2015, his pay costs will be charged entirely to this unit. This will result in salary savings in the services which previously bore his costs, partially offset by honoraria paid to the acting managers.</li> <li>• The unit has an apprentice for which there is no budget; however there are savings elsewhere in the Council where apprentices are no longer employed.</li> <li>• These additional costs are partially offset by a net saving following the deletion of the City Centre Management service.</li> </ul>
Planning Services	£21,170	<ul style="list-style-type: none"> <li>• Income from planning applications anticipated to exceed the budget.</li> <li>• Additional consultant fees, partly offset by transfer from Local Development Framework reserve.</li> <li>• Recharge from Environmental Health for work carried out expected to exceed budget.</li> </ul>
Markets & Halls	(£62,930)	<ul style="list-style-type: none"> <li>• Additional income is anticipated from car storage and lettings at the Livestock Centre.</li> <li>• Utility costs at the Corn Exchange are expected to be less than the estimates.</li> <li>• Non Domestic Rates expenditure expected to be less than the budget.</li> </ul>



Management Unit	Over / (Underspend)	Detail
Contracted Sports Facilities	(£220,000)	<ul style="list-style-type: none"> <li>As a result of the sports facilities contractor acquiring charitable status, the income receivable under the contract will increase.</li> <li>The estimated contribution required from the Council for utility costs is expected to be excessive, leading to a cost saving.</li> </ul>

#### 8.3.4 Scrutiny Committee Resources – (An underspend in total of £567,890)

Management Unit	Over / (Underspend)	Detail
Revenue Collection/Benefits	(585,080)	<ul style="list-style-type: none"> <li>Recovery of overpayments higher than budgeted</li> <li>Underspend on pay budgets</li> </ul>
Human Resources	(35,000)	<ul style="list-style-type: none"> <li>Underspend on pay budgets</li> </ul>
Corporate Support	(49,330)	<ul style="list-style-type: none"> <li>Underspend on utilities and pay budgets.</li> <li>Additional rental income anticipated in respect of Civic Centre.</li> </ul>

#### 8.3.5 Other Financial Variations

Other items	Over / (Underspend)	Detail
Repayment of debt (Minimum Revenue Provision)	(752,615)	<ul style="list-style-type: none"> <li>The Council has more accurately assigned debt against an assets useful life as per the policy.</li> </ul>

### 8.3.6 General Fund Balance

In 2015/16 it is projected that there will be an overall net contribution to the General Fund Balance of £308,925. The minimum requirement for the General Fund working balance was approved by Council in February 2015 at £2million.

<b>Movement</b>	<b>2015/16</b>
Opening Balance, as at 01/04/15	£3,974,518
Surplus	£ 308,925
<b>Balance, as at 31/3/16</b>	<b>£4,283,443</b>

### 8.3.7 Supplementary Budgets

There is a requirement for further supplementary budgets in 2015/16. It is therefore proposed that supplementary budgets totalling £25,000.

8.3.8 The £25,000 is in respect of matched funding (Devon County Council) for weed control in the City.

### 8.3.9 Summary of Savings

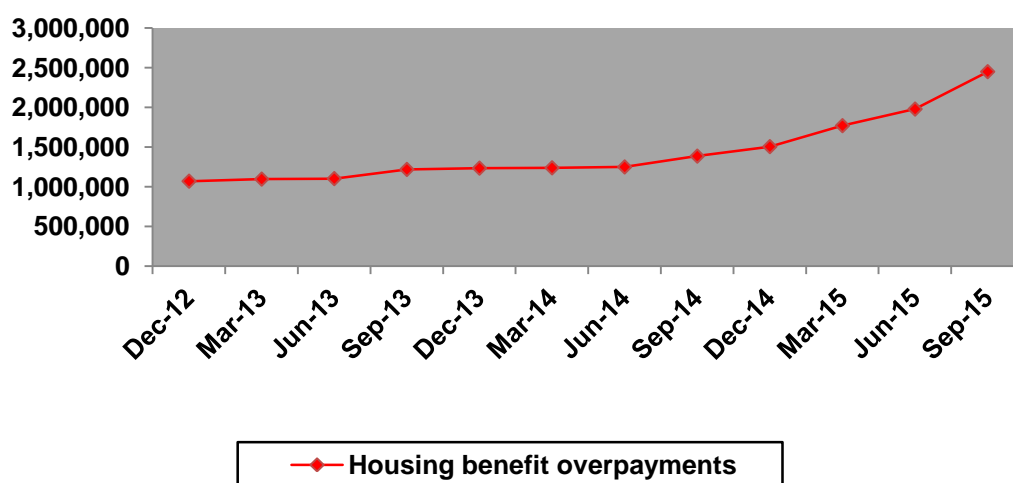
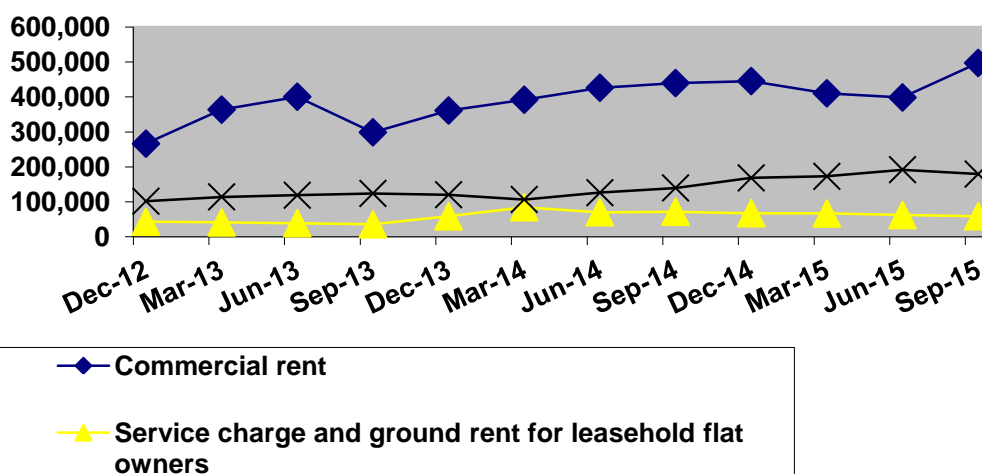
During the budget process, savings totalling £1.377 million were identified and approved. Appendix D sets out a summary of the progress made in delivering those proposed savings. It is estimated that 89% of the savings will be delivered during 2015/16.

## 8.4 OUTSTANDING SUNDRY DEBT

8.4.1 An aged debt analysis of the Council's sundry debts is shown in the table below.

Age of Debt	September 2014	June 2015	September 2015
Up to 29 days (current)	£1,578,541	£1,795,454	£1,137,814
30 days – 1 Year	£1,008,147	£1,783,582	£1,822,595
1 – 2 years	£539,069	£636,979	£530,245
2 – 3 years	£287,153	£367,355	£417,854
3 – 4 years	£144,297	£229,290	£214,477
4 – 5 years	£108,851	£82,318	£109,995
5 + years	£184,379	£215,423	£225,477
<b>Total</b>	<b>£3,850,437</b>	<b>£5,110,401</b>	<b>£4,458,457</b>

8.4.2 Of the outstanding debt, the graph below sets out the main services and debt trends for debt over 30 days old: Of the £3,320,643 outstanding debt over 30 days old, £2,468,982 relates to Housing Benefit overpayments which are now shown on a separate graph.



## 8.5 DEBT WRITE-OFFS

8.5.1 The following amounts have been written-off during 2015/16:

	2014/15 total	2015/16 (Qtr 2)
• Council Tax	£193,034	£49,213
• Business Rates	£0	£0
• Sundry Debt	£85,554	£79,435
• Housing Rents	£41,609	£42,289

## 8.6 CREDITOR PAYMENTS PERFORMANCE

8.6.1 Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 92.75% for the first quarter of 2015/16 compared with 95.60% for 2014/15.

## 9. How does the decision contribute to the Council's Corporate Plan?

9.1 This is a statement of the projected financial position to the end of the 2015/16.

## 10. What risks are there and how can they be reduced?

10.1 The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Team and Members.

## 11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 Not applicable

## 12. Are there any other options?

12.1 Not applicable

**Dave Hodgson**  
**Assistant Director Finance**

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

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 2.3  
01392 265275

## HOUSING REVENUE ACCOUNT

ACTUAL TO DATE			YEAR END FORECAST			
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
347,272	238,377	(108,895)	85A1 MANAGEMENT	1,267,390	(124,700)	1,142,690
517,332	516,011	(1,321)	85A2 HOUSING CUSTOMERS	1,239,920	11,200	1,251,120
42,601	43,764	1,163	85A3 SUNDRY LAND MAINTENANCE	274,230	(5,000)	269,230
3,334,216	2,356,518	(977,698)	85A4 REPAIRS & MAINTENANCE PROGRAMME	8,680,512	(1,039,612)	7,640,900
0	0	0	85A5 REVENUE CONTRIBUTION TO CAPITAL	5,771,930	0	5,771,930
2,484,370	2,550,566	66,196	85A6 CAPITAL CHARGES	2,484,370	66,196	2,550,566
512,231	406,244	(105,987)	85A7 HOUSING ASSETS	1,222,550	(63,330)	1,159,220
(10,789,068)	(10,693,196)	95,872	85A8 RENTS	(19,918,280)	0	(19,918,280)
989,780	989,780	0	85B2 INTEREST	1,936,560	(20,000)	1,916,560
			85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(2,959,182)	1,175,246	(1,783,936)
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance 1 April 2015</b>	<b>7,736,532</b>		<b>5,952,596</b>

## COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
(2,422)	(3,711)	(1,289)	H006 ROWAN HOUSE	(8,020)	0	(8,020)
(14,269)	(13,231)	1,038	H007 KNIGHTS PLACE	(47,870)	(301)	(48,171)
0	0	0	H008 INTEREST	6,890	0	6,890
11,200	11,501	301	H009 CAPITAL CHARGES	11,200	301	11,501
			H010 MOVEMENT TO/(FROM) WORKING BALANCE	37,800	0	37,800
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance 1 April 2015</b>	<b>127,995</b>		<b>165,795</b>

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**GENERAL FUND**  
**2015/16 REVENUE ESTIMATES - SUMMARY**  
as at 30 September 2015

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
SCRUTINY - COMMUNITY	9,063,180	143,940	9,207,120	9,284,850	77,730
SCRUTINY - ECONOMY	149,250	837,460	986,710	755,190	(231,520)
SCRUTINY - RESOURCES	6,074,060	(15,890)	6,058,170	5,490,280	(567,890)
less Notional capital charges	(2,759,780)		(2,759,780)	(2,759,780)	0
<b><u>Service Committee Net Expenditure</u></b>	<b>12,526,710</b>	<b>965,510</b>	<b>13,492,220</b>	<b>12,770,540</b>	<b>(721,680)</b>
Net Interest	150,000		150,000	105,320	(44,680)
New Homes Bonus	(3,528,980)		(3,528,980)	(3,528,980)	0
Revenue Contribution to Capital	0		0	24,950	24,950
Minimum Revenue Provision	1,570,730		1,570,730	818,115	(752,615)
<b><u>General Fund Expenditure</u></b>	<b>10,718,460</b>	<b>965,510</b>	<b>11,683,970</b>	<b>10,189,945</b>	<b>(1,494,025)</b>
Transfer To/(From) Working Balance	(369,650)	(965,510)	(1,335,160)	308,925	1,644,085
Transfer To/(From) Earmarked Reserves	1,607,980		1,607,980	1,457,920	(150,060)
<b><u>General Fund Net Expenditure</u></b>	<b>11,956,790</b>	<b>0</b>	<b>11,956,790</b>	<b>11,956,790</b>	<b>0</b>
Formula Grant	(6,635,000)		(6,635,000)	(6,635,000)	0
Business Rates Growth / Pooling Gain	(561,000)		(561,000)	(561,000)	0
<b><u>Council Tax Net Expenditure</u></b>	<b>4,760,790</b>	<b>0</b>	<b>4,760,790</b>	<b>4,760,790</b>	<b>0</b>
<b>Working Balance</b>	<b>March 2015</b>	<b>£ 3,974,518</b>		<b>£ 4,283,443</b>	<b>March 2016</b>

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			Funded by	£
<b>Resources</b>				
				<u>0</u>
<b>Community and Environment</b>				
Grounds Maintenance	Matched funding for Weed Control	General Fund Balance		25,000
				<u>25,000</u>
<b>Economy &amp; Development</b>				
				<u>0</u>
<b>General Fund Total</b>				<u>25,000</u>
				0
<b>HRA Total</b>				<u>0</u>
<b>Overall Total</b>				<u>25,000</u>

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Update on progress against Savings Targets 2015-16

			15/16 000's	Will be achieved 100% in 2015-16 000's	Will be achieved but not fully in 2015- 16 000's	Comments
<b>Customer Access Savings</b>						
Reduction in staff			20	20		The full savings will be achieved for 2015/16 although the re-structuring exercise is still being undertaken. A further update will be provided when the new structure is confirmed.
Management Restructures			134	134		
Cease BACS notifications			25		15	An overspend of approx £10k is anticipated on this budget however this is due to increased post being sent out to recover overpayments. The resultant increased income raised is far in excess of this expenditure.
Use of temporary accommodation			50	50		This saving will be achieved in full in 2015/16.
Rough Sleepers			70	70		This saving will be achieved in full in 2015/16.
			<b>299</b>	<b>274</b>	<b>15</b>	
<b>Legal</b>						
Delete Admin Post			21	21		This saving will be achieved in full in 2015/16.
Stop Subscription to Planning Encyclopedia			1	1		This saving will be achieved in full in 2015/16.
Reduce practising certificate/ deleted solicitor post			1	1		This saving will be achieved in full in 2015/16.
Stop subscription to Hill & Redman			2	2		This saving will be achieved in full in 2015/16.
			<b>25</b>	<b>25</b>	<b>0</b>	
<b>Finance</b>						
Reduce Audit Days			41	41		This saving will be achieved in full in 2015/16.
Remove PT Assistant Accountant			10	10		This saving will be achieved in full in 2015/16.
Reduce Insurance Officer to 3 days			11	11		This saving will be achieved in full in 2015/16.
			<b>62</b>	<b>62</b>	<b>0</b>	

APPENDIX D

			15/16	Will be achieved 100% in 2015-16	Will be achieved but not fully in 2015- 16	Comments
<b>Economy</b>						
Custom House to ECQT (most savings achieved 2014-15)			5	5		Achieved in 2014-15
Economy & Tourism			49	49		Achieved through 2 vacancies in 2015-16
Reduce support to Food Festival			5	0	0	The event is in April 2016 so will be saved in 2016-17
Livestock Centre			50	50		This saving will be achieved in full in 2015/16.
Exeter Corn Exchange			25	25		This saving will be achieved in full in 2015/16.
			<b>134</b>	<b>129</b>	<b>0</b>	
<b>Environment</b>						
Bid for HIA work			20	0	0	With Housing - saving will not be made and no alternative proposed
Reduce fuel use by 5% and fleet size by 6%			23	23		A council-wide initiative to reduce fleet size and mileage is pending subject to speed devices being approved in the near future - C050 52040 £19k; C050 54013 £6k
Reduce refuse transportation mileage			25	25		C050 54040 on course at Sept. 2015
Increase garden waste customers by 500			15	15		C072 91058 increased by £15k on course at Oct. 2015
Reduce grey fleet with pool vehicles			33	0	0	A corporate initiative that was not pursued and was across the Council so outside of the fleet (C050 54040 - will not be achieved).
Increase range of trade recycling and promote trade refuse			28	0	0	C056 91020 was increased by £14k with the rest deferred to 2016/17. The trade waste market is highly competitive with income down against the budget so this will be reviewed to analyse the service and charging regime..
Delete post			49	49		F007 31PAY and 48005 saving £46,200 in budget; remainder saved against F001/F025 55032
EHO work to licensing			10	10		Additional income funded in F022 £10k.
Asbestos/SO work charged to HRA			8	8		F019 85050 £9780
Higher fee structure for bins			40		10	C050 92525/6 increased by £10k with the remaining £30k in 2016-17 when fully implemented.
Bulk up clinical waste			6	6		This saving will be achieved in full in 2015/16.
Combined litter/dog bins			3	3		Public Realm have actioned.
Reduce special collections to 3 days per week			10	10		This saving will be achieved in full in 2015/16.
A post funded by licencing regime income			24	24		Actioned

APPENDIX D

			15/16	Will be achieved 100% in 2015-16	Will be achieved but not fully in 2015- 16	Comments
			294	173	10	

APPENDIX D

			15/16	Will be achieved 100% in 2015-16	Will be achieved but not fully in 2015- 16	Comments
<b>Housing General Fund</b>						
Delete Private Sector Housing post			26	26		Will be achieved - Post EN05200 deleted from establishment
Integrated tenancy management/landlord services			70	77		Will be achieved - The Housing restructure resulted in a reduction in direct employee costs for General Fund - Housing - Property, as Housing Customer Relation Officers are no longer tenure specific.
Run Extralet on cost neutral basis			12	0		Budgets for Extralet management fees were based upon rolling averages, however it was identified during closing the 2014-15 accounts that the VAT had not been correctly separated out. This may impact on achieving a cost neutral position, as fees are now processed net of VAT. It is hoped that compensating savings will be made elsewhere within the management unit.
			<b>108</b>	<b>103</b>	<b>0</b>	
<b>Democratic Services</b>						
Hand delivery of electoral post			22	0		Not able to be delivered due to implications of Ward Boundary Review not being fully known until end of September
Use of online electoral registration			15	5		
Reduction in casual staff			5	5		Will be achieved 100% in 2015-16
Remove part-time admin post			4	4		Will be achieved 100% in 2015-16
Reduce members print/postage			2	2		Will be achieved 100% in 2015-16
Saving in Mayoralty budget			3	0		No longer being pursued
No O/T for attending functions			8	8		Will be achieved 100% in 2015-16
Less formal invites/e-mails			3		2	A larger number of events than anticipated have been held meaning that a smaller than anticipated cost saving will be possible
Decrease Mayoral event attendance			6		3	It has been a busy year where additional hosting events have had to be catered for (including RWC events) so not all of the anticipated reductions have been possible
Increase charges for Guildhall			4		2	
No Royal Mail use TNT			22	22		Will be achieved 100% in 2015-16
Second class all post			5	5		Will be achieved 100% in 2015-16
Charging all for use of rooms			4	0		This has yet to be actioned
CAB rent			31	56		Organisations other than just the CAB have taken space within the Civic Centre
Removal of part-time porter			11	11		Will be achieved 100% in 2015-16
			<b>145</b>	<b>118</b>	<b>7</b>	

APPENDIX D

			15/16	Will be achieved 100% in 2015-16	Will be achieved but not fully in 2015- 16	Comments

APPENDIX D

			15/16	Will be achieved 100% in 2015-16	Will be achieved but not fully in 2015- 16	Comments
<b>Public Realm</b>						
CCTV & Street Scene			110	110		Will be achieved 100% in 2015-16
			<b>110</b>	<b>110</b>	<b>0</b>	
<b>Policy</b>						
Citizen - efficiencies in production			26	22		£4k less due to DCC funding not received for final quarter - no assumption of 'advert space' income included
Remove Intranet			10	10		Will be achieved 100% in 2015-16 - Reduction in City Grants Budget
Remove PT Post			34	34		Will be achieved 100% in 2015-16
Amalgamate ASB Function			30	30		Will be achieved 100% in 2015-16
			<b>100</b>	<b>96</b>	<b>0</b>	
<b>ICT</b>						
Savings from Strata			50	50		
			<b>50</b>	<b>50</b>	<b>0</b>	
<b>Corporate Estates</b>						
Civic Centre Lighting			25	25		Will be achieved 100% in 2015-16
Additional rental income			25	25		Will be achieved 100% in 2015-16
			<b>50</b>	<b>50</b>	<b>0</b>	
<b>Total Agreed</b>			<b>1,377</b>	<b>1,190</b>	<b>32</b>	

89%



**REPORT TO** SCRUTINY COMMITTEE RESOURCES, EXECUTIVE AND COUNCIL

**Date of Meeting:** Scrutiny Committee Resources – 18 November 2015  
Executive – 1 December 2015  
Council - 15 December 2015

**Report of:** Assistant Director Finance  
**Title:** Capital Monitoring Statement to 30 September 2015

**Is this a Key Decision?**

Yes

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

**2. Recommendations:**

**It is recommended that Scrutiny Committee – Resources notes and Council approves:**

- (i) **The revision of the annual capital programme to reflect the reported variations detailed in paragraphs 8.4 and 8.5 of this report;**
- (ii) **The proposed additions to the Capital Programme detailed in paragraph 8.7 of this report.**

**3. Reasons for the recommendation:**

Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

**4. What are the resource implications including non financial resources**

The financial resources required are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of the Capital Programme as at 30 September 2015.

**6. What are the legal aspects?**

The capital expenditure system is framed by the Local Government and Housing Act 1989.

## 7. Monitoring Officer's comments

This report raises no issues to concern the Monitoring Officer.

## 8. Report Details:

### CAPITAL MONITORING STATEMENT TO 30 SEPTEMBER 2015

#### 8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2015/16 Capital Programme, including commitments brought forward from 2014/15, was last reported to Scrutiny Committee – Resources on 16 September 2015. Since that meeting the following changes have been made that have decreased spend anticipated in the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Scrutiny Committee – Resources, 16 September 2015</b>	<b>23,213,380</b>	
Budget Deferred to 2016/17 & Beyond at Quarter 1	(2,662,850)	Approved by Executive on 6 October 2015
Overspends/(Underspends) reported at Quarter 1	(73,460)	
<b>Revised Capital Programme</b>	<b>20,477,070</b>	

#### 8.2 PERFORMANCE

The revised capital programme for the current financial year is £20.477 million. During the first six months of the year the Council spent £4.683 million on the programme, which equates to 22.9% of the revised programme. This compares with £4.176 million (16.3%) being spent in the first six months of 2014/15.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2015/16 of £18.956 million with a further £1.442 million of the programme potentially being deferred to 2016/17 in addition to the £2.663 million that was deferred at the first quarter.

Appendix 2 shows the approved budgets for 2016/17 with the 2015/16 budget carried forward to 2016/17 and beyond at the first quarter and the proposed amount to be carried forward this quarter for Executive and Council to consider for approval.

Appendix 3 shows the overall position for those schemes which span more than one financial year.

#### 8.3 AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2015/16 are £3.343 million. An estimated spend of £9.715 million is required of which £6.372 million will have to be funded from borrowing. The available capital resources for the HRA for 2015/16 are £16.374 million. An estimated spend of £9.242 million is required leaving £7.132 million to be

carried forward into 2016/17. Appendix 4 sets out the forecast use of the resources available for the General Fund and the HRA and the likely amounts of borrowing that will be necessary to fund the capital programme over the next two years.

The value of actual capital receipts received in the quarter in respect of the General Fund and the HRA are:

	<b>General Fund £</b>	<b>HRA £</b>
<b>Balance as at 30 June 2015</b>	<b>192,883</b>	<b>278,569</b>
New Receipts	80,425	662,706
Less HRA Pooling		(114,483)
<b>Balance as at 30 June 2015</b>	<b>273,308</b>	<b>826,792</b>

#### 8.4 EXPENDITURE VARIANCES

The main variances and issues concerning expenditure in 2015/16 are:

<b>Scheme</b>	<b>Estimated Overspend / (Underspend) £</b>	<b>Reason</b>
Coin Counting Equipment	(26,340)	This budget was approved to enable ECC to collect and count our own cash but the preferred option is now to re-visit the partnership agreement with TDC to improve the financial fairness of the arrangement.
Storage of Archives	(10,000)	This budget is funded by S106 monies of which £10,000 is required for revenue purposes rather than capital.
Rendering of Council Dwellings	(45,000)	The sites identified for rendering will be completed this financial year with an overall saving.
Smoke Detector Replacements	(40,000)	The programme of replacing smoke detectors completed in August with an overall saving.
Other Works	(51,000)	Uncommitted balance declared a saving in order to help compensate for essential footpath and wall works.
Structural Repairs	(50,000)	Less extensive structural repairs are required to certain properties following structural monitoring.

Common Area Footpath/Wall Improvements	151,000	Priority health and safety works will be accelerated in 2015/16 following the appointment of a Compliance Officer to progress the improvements to footpaths and walls.
Central Heating Programme	33,400	Higher than budgeted system failures have resulted in additional central heating replacements, however compensating saving in boiler replacement costs.
Boiler Replacement Programme	(33,400)	Lower than budgeted boiler failures have resulted in fewer boiler replacements. Works undertaken to maximise the life expectancy of boilers as part of the routine service and maintenance regime.

## 8.5 SCHEMES TO BE DEFERRED TO 2016/17 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2016/17 and beyond are:

Scheme	Revised 15/16 Budget £	Budget to be Deferred £	Reason
Heavitree Environmental Improvements	22,880	22,880	Agreement on a proposed scheme has not been reached with local groups.
Energy Conservation	115,510	65,510	Further spend of this budget is pending the identification of suitable energy efficiency measures in respect of housing assets.
Rennes House Structural Works	485,840	450,000	A condition survey and review of mechanical and electrical services will be undertaken this financial year in order to inform the schedule of refurbishment works in 2016/17 and beyond.
COB Wave 2 – Rennes House car park	906,050	416,550	Delays associated with moving telecoms equipment and an electrical substation at this site have impacted on the profiling of this budget with slippage into 2016/17.
Phase 2 St Andrews Road	10,230	10,230	Further spend in respect of developing this site are pending the outcomes of a Village Green application by local residents.
COB Land Purchase	300,000	300,000	Spend of this budget is pending the identification of suitable/available land for the development of new social housing.

Acquisition of Social Housing	714,580	173,000	The acquisition of 12 new affordable housing units are expected to complete this financial year, the remaining budget will be deferred into 2016/17.
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## 8.6 ACHIEVEMENTS

The following schemes have been completed during the second quarter of 2015/16:

- **Energy Saving Projects**

All key projects in the Renewables and Energy Efficiency Programme for 2015/16 have been successfully completed or are in delivery. Projects completed include the pioneering Solar Canopy Car Park project, with the installation of a 150kw array to the top deck at John Lewis and Mary Arches Car park. A 26kw PV array on the Royal Albert Memorial Museum and a 30kw array at the City Climb Centre have also been installed. Additionally renewable energy generated by the Climb Centre array will be sold to the leaseholder using a Power Purchase Agreement (PPA). At the Civic Centre the new gas boilers have been installed and the old oil boilers and oil storage tanks removed.

Projects to be completed by the end of the year include the remainder of the LED light replacement for non-office areas in the Civic Centre, and the 1.5MW PV array to the Council's Livestock Centre. This is an enormous achievement, a result of the Energy Team's commitment and support given by others in Corporate Property.

- **Civic Centre Access Doors**

Card readers have been installed on lift lobby doors for security reasons. With external bodies now occupying most of the ground floor (Strata) and first floor Phase 1 (NFM, Exeter Pound, Exeter Active and Ubuntu Counselling Services), security for Council staff as well as external occupiers needed to be tightened up.

Council staff are able to access all Council offices in Phase 1 but need their card to open the doors. External Occupiers are only able to access their respective offices on their respective floors. They cannot access any Council offices with their card.

- **Voice Activated Directory**

The voice activated directory system is now live to customers who call Exeter City Council on the main number (277888).

Callers now hear a greeting saying either Good Morning or Good Afternoon welcome to Exeter City Council and will be asked to name the person or department that they require. They'll be transferred directly through but if for any reason the system can't understand what they are asking for they'll be automatically transferred to Customer Services after two attempts.

- **COB Wave 2 – Newport Road**

New eco-friendly homes at Reed Walk, Newport Road will house six local families who have been waiting for a suitable place to live on Exeter's Housing Register. The new three-bedroom homes, including one fully wheelchair accessible property, were completed in September.

The houses are noticeable due to their bright colouring, which were carefully developed to reflect typical natural building materials of the Exeter area like Devon sandstone, blue lias, green marble, clay brick and heavitree stone. These rented houses will provide comfortable living space for families to enjoy, and while packed with high-tech features, these homes are easy to use and live in.

The buildings are designed to be ecological, healthy, low energy and affordable for tenants. Built to the Passive House standard - a benchmark for low energy homes - each property contains a host of clever methods of saving energy, including triple glazing and a mechanical ventilation and heat recovery system.

Rainwater collection and low water use fittings on all bathrooms and kitchens will reduce water usage in the homes by up to 60% and the Passive House standard can result in heating bills 90% less than those of a standard house.

## **8.7 PROPOSED ADDITIONS TO THE CAPITAL PROGRAMME**

- **Strata (£60,000)**

Strata have been tasked with providing a common solution for planning services across the three Councils and have an in-principle agreement to adopt the Idox system. An initial outlay of £60,000 is required from the Council to purchase the system, however, the on-going savings for the company will outweigh this initial investment.

- **Econospeed Engine Management (£19,300)**

In order to meet the budgetary target to reduce fleet fuel use by 23%, and the Portfolio Holder target to reduce fleet carbon footprint by 3%, we need to roll out the fitting of Econospeed engine management devices to the remainder of our refuse collection fleet.

The devices were fitted to four vehicles on a trial basis earlier this year and show savings of over 20%. The manufacturer of the devices claims typical savings of 10%-20%.

We now need to decide whether to return the trial devices, or purchase them and roll them out to all our Refuse Collection Vehicles. The one-off cost of doing so is £19,300, with no ongoing service costs. A 10% fuel saving is equivalent to £21,300, and 20% saving would be £42,700.

It is proposed that the existing Invest to Save budget is used to fund this expenditure.

## **9. How does the decision contribute to the Council's Corporate Plan?**

The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

## **10. What risks are there and how can they be reduced?**

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

## **11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No impact

**12. Are there any other options?**

No

**Dave Hodgson, Assistant Director Finance**

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

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

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

(01392) 265275

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## CAPITAL MONITORING TO 30 SEPTEMBER 2015

	2015/16 Capital Programme	2015/16 Spend to 30 September	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>COMMUNITY</b>					
<b>KEEP PLACE LOOKING GOOD</b>					
Play Area Refurbishments	66,990		66,990		
Flowerpot Skate Park Lighting	26,500	175	26,500		
Refurbishment and Upgrade of Paddling Pools	750	754	750		
Parks Improvements	9,430	2,754	9,430		
Neighbourhood Parks & Local Open Spaces	8,020		8,020		
Belmont Pleasure Ground - New Path	30,000		30,000		
Rougemont Gardens - Path & Railings	50,000		50,000		
<b>KEEP ME/MY ENVIRONMENT SAFE &amp; HEALTHY</b>					
Vehicle Replacement Programme	630,000	548,044	630,000		
Exton Road Lighting	31,310	345	31,310		
Mincinglake Reed Beds and Storage Ponds	25,000		28,350		3,350
<b>HELP ME FIND SOMEWHERE TO LIVE</b>					
Disabled Facility Grants	380,670	145,204	380,670		
Warm Up Exeter/PLEA Scheme	163,650		163,650		
Wessex Loan Scheme	140,830	20,965	140,830		
WHIL Empty Properties	194,000		194,000		
The Haven	7,200	56	7,200		
Temporary Accommodation Purchase	300,000		300,000		
<b>COMMUNITY TOTAL</b>	<b>2,064,350</b>	<b>718,296</b>	<b>2,067,700</b>		<b>3,350</b>

## CAPITAL MONITORING TO 30 SEPTEMBER 2015

	2015/16 Capital Programme	2015/16 Spend to 30 September	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>ECONOMY</b>					
<b>KEEP PLACE LOOKING GOOD</b>					
Exhibition Way Bridge Maintenance	39,980	400	39,980		
Canal Bank Repairs & Strengthening	1,060		1,060		
National Cycle Network	4,500	4,500	4,500		
Repair to Turf Lock Gates	145,320	300	145,320		
Repair Canal Bank at M5	60,000	14,500	60,000		
Cathedral Yard - Replace Street Lighting	20,000		20,000		
Replace Car Park Ticket Machines	200,000		200,000		
Coin Counting Equipment	26,340				(26,340)
Phoenix - Replace Air Conditioning Units	30,000		30,000		
<b>PROVIDE GREAT THINGS FOR ME TO SEE &amp; DO</b>					
Replace Running Track at Exeter Arena	205,720	2,412	205,720		
Sports Facilities Refurbishment	67,000	3,487	67,000		
RAMM Development	382,380		382,380		
Passenger Lift at RAMM	45,000		45,000		
RAMM Shop	68,000		68,000		
Storage of Archives	21,020		11,020		(10,000)
Livestock Market Electrical Distribution Boards	12,650		12,650		
Livestock Centre Roof Replacement	1,250,000	7,890	1,250,000		
City Centre Enhancements - TV Screens	40,000		40,000		

## CAPITAL MONITORING TO 30 SEPTEMBER 2015

	2015/16 Capital Programme	2015/16 Spend to 30 September	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>DELIVER GOOD DEVELOPMENT</b>					
Newcourt Community Hall (S106)	10,000	130	10,000		
Newcourt Community Hall (Grant)	36,240		36,240		
Newtown Community Centre (1st Grant)	50,000		50,000		
Newtown Community Centre (2nd Grant)	49,000	2,250	49,000		
Countess Wear - Village Hall	75,000		75,000		
Beacon Heath Martial Arts & Boxing Club - New Roof	21,810		21,810		
Devonshire Place (Landscaping)	13,690	8,634	13,690		
Alphington Village Hall (Repairs & Extension)	50,000		50,000		
St Sidwells Community Centre	40,000	11,720	40,000		
Exeter Gymnastics Club	40,000	40,000	40,000		
City Centre Enhancements	8,260	177	8,260		
Paris Street Roundabout Landscaping & Sculptural Swift Tower	24,840	14,521	24,840		
Heavitree Environmental Improvements	22,880			22,880	
Ibstock Environmental Improvements	3,240	945	3,240		
Local Energy Network	67,050	67,050	67,050		
Leisure Complex - Build Project	1,600,000	259,668	1,600,000		
<b>ECONOMY TOTAL</b>	<b>4,730,980</b>	<b>438,584</b>	<b>4,671,760</b>	<b>22,880</b>	<b>(36,340)</b>

## CAPITAL MONITORING TO 30 SEPTEMBER 2015

	2015/16 Capital Programme	2015/16 Spend to 30 September	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>RESOURCES</b>					
<b>WELL RUN COUNCIL</b>					
STRATA Implementation	30,650	30,651	30,650		
Annual Contribution to Strata	53,900	53,904	53,900		
eTendering System	15,000		15,000		
Invest to Save Opportunities	100,000		100,000		
Energy Saving Projects	2,390,700	559,644	2,390,700		
Customer Contact Platform	145,000		145,000		
Voice Activated Directory	44,800	36,210	44,800		
Civic Centre Access Doors	20,000	20,261	20,000		
Capitalised Staff Costs	175,000		175,000		
<b>RESOURCES TOTAL</b>	<b>2,975,050</b>	<b>700,669</b>	<b>2,975,050</b>		

## CAPITAL MONITORING TO 30 SEPTEMBER 2015

	2015/16 Capital Programme	2015/16 Spend to 30 September	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>HRA</b>					
<b>MAINTAIN OUR PROPERTY ASSETS</b>					
Adaptations	595,940	187,025	595,940		
Rendering of Council Dwellings	353,650	85,171	308,650		(45,000)
MRA Fees	13,380		13,380		
Communal Door Entry System	13,440		10,000	3,440	
Environmental Improvements - General	59,080	29,448	52,080		(7,000)
Programmed Re-roofing	111,000	36,224	111,000		
Energy Conservation	115,510		50,000	65,510	
Smoke Detector Replacements	158,040	110,498	118,040		(40,000)
LAINGS Refurbishments	150,010	3,450	150,010		
Kitchen Replacement Programme	1,418,880	498,966	1,418,880		
Bathroom Replacement Programme	1,253,770	511,485	1,253,770		
Other Works	94,620		43,620		(51,000)
Fire Precautionary Works to Flats	291,400	88,219	291,400		
Communal Areas	196,650	24,157	196,650		
Structural Repairs	262,940	4,867	212,940		(50,000)
Rennes House Structural Works	485,840		35,840	450,000	
Common Area Footpaths/Wall Improvements	269,430	59,456	420,430		151,000
Lift Replacement - 98 Sidwell Street	50,000		56,000		6,000
Replacement of Lead Water Mains	30,000	4,714	20,000		(10,000)
Soil Vent Pipe Replacement	26,620	5,228	26,620		
Electrical Central Heating	21,630	14,222	21,630		
Faraday House Roof Replacement	134,000	467	134,000		
Electrical Re-wiring	1,147,970	356,111	1,147,970		
Central Heating Programme	39,600	25,732	73,000		33,400
Boiler Replacement Programme	157,630	12,541	124,230		(33,400)

## CAPITAL MONITORING TO 30 SEPTEMBER 2015

	2015/16 Capital Programme	2015/16 Spend to 30 September	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>HELP ME FIND SOMEWHERE TO LIVE</b>					
COB Wave 2 - Rennes Car Park	906,050	3,150	489,510	416,540	
COB Wave 2 - Newport Road (Reed Walk)	622,140	318,394	622,140		
COB Wave 2 - Brookway (Silverberry Close)	130,400	74,340	130,400		
COB Wave 2 - Bennett Square (Barberry Close)	158,280	117,389	158,280		
St Loyes Extracare Scheme	413,980	16,724	413,980		
Phase 3 St Andrews Road	10,230			10,230	
COB Land Purchase	300,000			300,000	
Acquisition of Social Housing	714,580	236,990	541,580	173,000	
<b>HRA TOTAL</b>	<b>10,706,690</b>	<b>2,824,967</b>	<b>9,241,970</b>	<b>1,418,720</b>	<b>(46,000)</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>20,477,070</b>	<b>4,682,516</b>	<b>18,956,480</b>	<b>1,441,600</b>	<b>(78,990)</b>

## EXETER CITY COUNCIL

**REPORT TO:** SCRUTINY COMMITTEE – RESOURCES  
EXECUTIVE  
COUNCIL

**DATE OF MEETING:** RESOURCES – 18 NOVEMBER 2015  
EXECUTIVE – 1 DECEMBER 2015  
COUNCIL – 15 DECEMBER 2015

**REPORT OF:** ASSISTANT DIRECTOR FINANCE  
**TITLE:** TREASURY MANAGEMENT 2015-16 – HALF YEAR UPDATE

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

To report on the current Treasury Management performance for the 2015-16 financial year and the position regarding investments and borrowings at 30 September 2015. The report is a statutory requirement and is for information only with no key decisions required.

**2. Recommendations:**

That Scrutiny and Executive note the Treasury Management report in respect of the first six months of the 2015-16 financial year.

**3. Reasons for the recommendation:**

It is a statutory requirement for the Council to publish regular reports on Treasury Management to Council. This includes an annual Treasury Management Strategy and half yearly report and a year-end report as a minimum.

**4. What are the resource implications including non financial resources**

The report is an update on the overall performance in respect of treasury management for the first six months of the 2015-16 financial year. Therefore, there are no financial or non financial resource implications.

**5. Section 151 Officer comments:**

Officers have complied in full with the Treasury Management Strategy for 2015-16. All investments and borrowing have been undertaken within the parameters set by Council.

**6. What are the legal aspects?**

In February 2012 the Council adopted the updated *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to report on its performance at the end of each financial year. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

**7. Monitoring Officer's comments:**

This report raises no issues for the monitoring officer.

## 8. Report Details:

### 8.1 Interest Rate Prospects

Interest rate forecasts, provided by our Advisors, are set out below.

Period	Bank Rate	20-year PWLB rate
Dec 2015	0.50	3.25
Mar 2016	0.50	3.30
Jun 2016	0.75	3.35
Sept 2016	0.75	3.35
Dec 2016	1.00	3.40
Mar 2017	1.00	3.45
June 2017	1.25	3.50
Sept 2017	1.25	3.55
Dec 2017	1.50	3.60
Mar 2018	1.50	3.65
Jun 2018	1.75	3.70

### 8.2 Treasury Management Strategy

The Council approved the 2015-16 treasury management strategy at its meeting on 24 February 2015. There changes to the limits on the value of investments to be held by any one institution. The changes are:

- The amount that the Council can lend to UK owned banks or building societies increased from £3 million to £4 million.
- The amount that the Council can lend to Foreign owned banks that deal in sterling increased from £2 million to £3 million.
- The changes should allow the Council to access higher interest rates on investments, which is generally the case with larger value investments.

Council's stated investment strategy was to continue to hold only small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government's Debt Management Office and use short dated deposits (up to 3 months) which would be placed with Local Authorities.

The Council's stated borrowing strategy was to maintain, and if possible reduce, short-term borrowing as long as rates remained low. With short-term interest rates currently much lower than long-term rates, it continues to be more cost effective in the short term to not borrow and reduce the level of investments held instead. The Council is currently borrowing over 1 year periods.



### 8.3 Net Interest Position

The General Fund shows an improvement against the estimate for net interest payable, the position is:

	<b>Estimate</b>	<b>Sep-15</b>	<b>Estimated</b>	<b>Variation</b>
	<b>£</b>	<b>£</b>	<b>Outturn</b>	<b>£</b>
			<b>£</b>	
<b>Interest paid</b>	106,000	47,370	74,350	(31,650)
<b>Interest earned</b>				
Temporary investment interest	(70,000)	(57,770)	(85,000)	(15,000)
Other interest earned	(1,000)	(440)	(880)	120
Science Park Loan	(2,600)		(2,600)	0
<b>Less</b>				
Interest to HRA	75,000	37,500	76,850	1,850
Interest to s106 agreements	40,000	20,000	40,000	0
Interest to Trust Funds	2,500	1,250	2,500	0
Lord Mayors Charity	100	50	100	0
GF interest (received) / paid out	44,000	590	30,970	(13,030)
<b>Net Interest</b>	<b>150,000</b>	<b>47,960</b>	<b>105,320</b>	<b>(44,680)</b>

8.4 The other interest earned relates to car loan repayments.

### 9. Investment Interest

The Council is utilising the Government's Debt Management Office account and call accounts with Handelsbanken and Barclays. Appendix A sets out the institutions that the Council can use for deposits – this is known as our Counterparty list.

The Council has increased the number of Money Market Funds it has to five. The money market funds allow immediate access to our funds and spreads risk as it is pooled with investments by other organisations and invested across a wide range of financial institutions.

9.1 The Council's current investments are:

#### UK Owned Banks

<b>Amount</b>	<b>Investment</b>	<b>Interest rate</b>
£3,000,000	Barclays	0.30%

#### Foreign Owned Banks

<b>Amount</b>	<b>Investment</b>	<b>Interest rate</b>
£2,000,000	Handelsbanken	0.35%

Amount	Investment	Interest rate*
£1,000,000	CCLA - Public Sector Deposit Fund	0.32%
£2,000,000	Standard Life Investments	0.42%
£5,000,000	Blackrock	0.44%
£0	Amundi Asset Management	0.45%
£3,000,000	Federated Investors UK	0.41%

\* Interest rate is variable (therefore this is based on past performance)

#### **Fixed Term Deposits**

Amount	Investment	Interest rate
£2,000,000	Commonwealth Bank of Australia	0.50%
£3,000,000	United Overseas Bank	0.48%

#### **10. Borrowings**

The Council has reduced its short term borrowing to £10m, long term borrowing remains at £56.884m. Details of the loans are set out in 10.1. The loan requiring repayment in mid October will not be replaced; however the Council may need to borrow additional funds during the final three months of the financial year.

Amount	Lender	Interest rate	Date of repayment
£5,000,000	London Borough of Islington	0.65%	12/10/2015
£5,000,000	Police & Crime Commissioner for West Midlands	0.65%	25/02/2016
56,884,000	PWLB	3.48%	28/03/2062

#### **11. Future Position**

As interest rates remain very low, the Council will continue to utilise short term borrowing to manage its cashflow. Current rates for borrowing are between 0.60% and 0.70% for up to 1 year and the Council will continue to borrow for a 364 day period.

- 11.1 The Council's five Money Market Funds which are AAA rated, currently offer rates between 0.32% and 0.45%, the rates are liable to fluctuation in the year. The call accounts offer between 0.30% and 0.40% for the average annual balance.
- 11.2 The short term investments that are made through the call accounts and money market funds ensure cash can be accessed immediately. This has an ongoing impact on returns but increases the security of our cash.
- 11.3 We will also lend, when possible, to institutions on the Council's counterparty list which includes other Local Authorities, UK and Foreign owned banks and the Debt Management Office. However the rates received are between 0.25% and 0.50%, which are equally not significant and in some case below the amount received from our existing deposits.

- 11.4 Since 1 April 2015 the Council has opened a Money Market Fund account with Amundi Asset Management which provides a return in the region of 0.45%. The Council are in regular contact with their treasury management advisors in order to seek advice on how to maximise investment returns and to minimise the need to borrow whilst taking into account investment risk.
- 11.5 Officers are meeting with advisors at the end of November to explore the possibility of widening the investment options available to the Council. If the options are proved to be of interest, and viable, a revised treasury management strategy will be presented to committee for approval in February 2016.
- 12. How does the decision contribute to the Council's Corporate Plan?**  
Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.
- 13. What risks are there and how can they be reduced?**  
The council uses treasury management advisors who continually provide updates on the economic situation, interest rates and credit ratings of financial institutions. They also provide a counterparty list which details the financial institutions which meet the council's treasury management strategy.
- 14. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?**  
No impact.
- 15. Are there any other options?**  
No.

**Dave Hodgson, Assistant Director Finance**

**Author: Paul Matravers, Principal Accountant**

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

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

None

Contact for enquiries:  
Democratic Services (Committees)  
Room 2.3  
(01392) 265275

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Name	COUNTRY	Moody's Short Term Rating	Moody's Outlook	Fitch Short Term Rating	Fitch Outlook
<b><u>COMMONWEALTH OF AUSTRALIA</u></b>	AU		STABLE	F1+	STABLE
AUST AND NZ BANKING GROUP	AU	P-1	STABLE	F1+	STABLE
COMMONWEALTH BANK OF AUSTRAL	AU	P-1	STABLE	F1+	STABLE
NATIONAL AUSTRALIA BANK LTD	AU	P-1	STABLE	F1+	STABLE
WESTPAC BANKING CORP	AU	P-1	STABLE	F1+	STABLE
<b><u>GOVERNMENT OF CANADA</u></b>	CA		STABLE	F1+	STABLE
BANK OF MONTREAL	CA	P-1	NEG	F1+	STABLE
BANK OF NOVA SCOTIA	CA	P-1	NEG	F1+	STABLE
CAN IMPERIAL BK OF COMMERCE	CA	P-1	NEG	F1+	STABLE
ROYAL BANK OF CANADA	CA	P-1	NEG	F1+	STABLE
TORONTO-DOMINION BANK	CA	P-1	NEG	F1+	STABLE
<b><u>UNITED KINGDOM</u></b>	GB		STABLE	F1+	STABLE
BANK OF SCOTLAND PLC	GB	P-1	POS	F1	STABLE
LLOYDS BANK PLC	GB	P-1	POS	F1	STABLE
BARCLAYS BANK PLC	GB	P-1	STABLE	F1	STABLE
HSBC BANK PLC	GB	P-1	STABLE	F1+	STABLE
STANDARD CHARTERED BANK	GB	P-1	NEG	F1+	NEG
<b><u>BUILDING SOCIETIES</u></b>					
NATIONWIDE BUILDING SOCIETY	GB	P-1	STABLE	F1	STABLE
<b><u>FEDERAL REPUBLIC OF GERMANY</u></b>	GE		STABLE	F1+	STABLE
LANDESBANK HESSEN-THURINGEN	GE	P-1	STABLE	F1+	STABLE
<b><u>KINGDOM OF THE NETHERLANDS</u></b>	NE	P-1	STABLE	F1+	STABLE
BANK NEDERLANDSE GEMEENTEN	NE	P-1	STABLE	F1+	STABLE
COOPERATIEVE CENTRALE RAIFFE	NE	P-1	STABLE	F1+	STABLE
ING BANK NV	NE	P-1	STABLE	F1	STABLE
<b><u>REPUBLIC OF SINGAPORE</u></b>	SI		STABLE	F1+	STABLE
DBS BANK LTD	SI	P-1	STABLE	F1+	STABLE
OVERSEA-CHINESE BANKING CORP	SI	P-1	STABLE	F1+	STABLE
UNITED OVERSEAS BANK LTD	SI	P-1	STABLE	F1+	STABLE
<b><u>KINGDOM OF SWEDEN</u></b>	SW	P-1	STABLE	F1+	STABLE
NORDEA BANK AB	SW	P-1	STABLE	F1+	STABLE
SVENSKA HANDELSBANKEN-A SHS	SW	P-1	STABLE	F1+	STABLE
<b><u>UNITED STATES (GOVT OF)</u></b>	US		STABLE	F1+	STABLE
BANK OF NEW YORK MELLON	US	P-1	STABLE	F1+	STABLE

<b><u>UNITED KINGDOM - OTHER INSTITUTIONS</u></b>					
DEBT MANAGEMENT OFFICE	GB		STABLE	F1+	STABLE

<b><u>GOVERNMENT AGENCIES, MULTI-LATERAL AND SUPRANATIONAL BANKS</u></b>					
NORDIC INVESTMENT BANK	FI	P-1	STABLE		
COUNCIL OF EUROPE DEVELOPMNT	FR	P-1	STABLE	F1+	STABLE
EUROPEAN BANK FOR RECONSTRUC	GB	P-1	STABLE	F1+	STABLE
KREDITANSTALT FUER WIEFERAUF	GE	P-1	STABLE	F1+	STABLE
EUROPEAN INVESTMENT BANK	LX	P-1	STABLE	F1+	STABLE
INTER-AMERICAN DEV BANK	US	(P)P-1	STABLE	F1+	STABLE
INTERNATIONAL BANK FOR RECON	US	(P)P-1	STABLE	F1+	STABLE

Money Market Funds	Place of Domicile	Moody's Long-Term Ratings	Fitch Long-Term Rating	Rate
ABERDEEN ASSET MANAGEMENT	LX	Aaa-mf	AAAmmf	0.43%
AMUNDI INVESTORS	LX	-	AAAmmf	0.45%
AVIVA INVESTORS	IR	Aaa-mf	-	0.38%
BLACKROCK	IR	Aaa-mf	-	0.44%
BNP PARIBAS ASSET MANAGEMENT	LX	Aaa-mf	-	0.48%
BNY MELLON ASSET MANAGEMENT	IR	Aaa-mf	-	0.32%
CCLA - PSDF	GB	-	AAAmmf	0.32%
DB ADVISORS (DEUTSCHE)	IR	Aaa-mf	-	0.38%
FEDERATED INVESTORS (UK)	GB	Aaa-mf	AAAmmf	0.41%
FIDELITY INTERNATIONAL	IR	Aaa-mf	-	0.40%
GOLDMAN SACHS ASSET MANAGEMENT	IR	Aaa-mf	AAAmmf	0.44%
HSBC ASSET MANAGEMENT	IR	Aaa-mf	-	0.36%
STANDARD LIFE (FORMERLY IGNIS) LIQUIDITY FUNDS	IR	-	AAAmmf	0.42%
INSIGHT INVESTMENTS	IR	-	AAAmmf	0.40%
INVESCO AIM	IR	Aaa-mf	AAAmmf	0.41%
J.P.MORGAN ASSET MANAGEMENT	LX	Aaa-mf	AAAmmf	0.35%
SOCIETE GENERALE	IR	-	AAAmmf	0.39%
MORGAN STANLEY INVESTMENT MANAGEMENT	IR	Aaa-mf	AAAmmf	0.43%
NORTHERN TRUST ASSET MANAGEMENT	IR	Aaa-mf	-	0.37%
STATE STREET GLOBAL ADVISORS ASSET MANAGEMENT	IR	Aaa-mf	AAAmmf	0.39%
ABERDEEN (FORMERLY SWIP) ASSET MANAGEMENT	IR	Aaa-mf	AAAmmf	0.37%
AVIVA INVESTORS GOV	IR	Aaa-mf	-	
BLACKROCK GOV	IR	Aaa-mf	-	
GOLDMAN SACHS ASSET MANAGEMENT GOV	IR	Aaa-mf	AAAmmf	
JP MORGAN ASSET MANAGEMENT GOV	LX	Aaa-mf	AAAmmf	
NORTHERN TRUST ASSET MANAGEMENT GOV	IR	-	-	

## **REPORT TO Executive**

**Date of Meeting: 1 December 2015**

**Report of: Corporate Manager, Democratic & Civic Support, Electoral Registration Officer and Returning Officer**

**Title: STAFFING WITHIN THE ELECTORAL SERVICES TEAM**

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

#### **Council**

#### **1. What is the report about?**

- 1.1 This report sets out a proposal to increase the staff within the Electoral Services team (to replace a part time member of staff) to assist with the continually increasing workload associated with the introduction of Individual Electoral Registration (IER).

#### **2. Recommendations:**

- 2.1 That the Council be recommended to agree the permanent increase in the establishment of the Electoral Services Team

#### **3. Reasons for the recommendation:**

- 3.1 A part time member of staff (0.5fte) within the Electoral Services Team has tendered his resignation with effect from 31 January 2016.
- 3.2 This has given the Corporate Manager, Democratic & Civic Support, in his role as Electoral Registration Officer (ERO), the opportunity to review the workload and staffing within the team paying particular attention to the continually increasing workload associated with IER which has brought about a large increase for the Electoral Services Team.
- 3.3 As Members will be aware, an area of particular and on-going concern is the difficulty in ensuring that the large number of eligible students in the City (estimated to be somewhere in the region of 11,000) apply to be on the register of electors in Exeter.
- 3.4 Whilst a series of initiatives have been employed by staff in conjunction with the University, its various departments and Students Guild, the actual number of registrations by students in Exeter, still falls short of that expected.
- 3.5 As is the case with many areas of local government, there is also an increasing number of performance standards, against which the Council is judged and from which performance standards are made. An increasing number of these will be subject to on-going monitoring by the Electoral Commission and have to be completed continually rather than waiting for the end of a particular time period. Electoral Services is no exception to this and it is suggested that some additional support within the team is required to ensure that the ERO meets his statutory requirements.

3.6 By increasing this post to full time, an additional resource within the team would be identified to specifically work even closer with the University and other under-represented groups in an attempt to further drive up registration, and also assist with the ERO's performance standards.

3.7 As Members will be further aware, for the past few years the Council has received a specific grant towards the costs associated with the introduction of IER – this has, until now, been ring fenced for this purpose.

3.8 The Government has recently brought forward the end of the transition period for the introduction of IER to this year, which has given rise to some uncertainty as to the future of this ring fenced grant. However, the Government recognises the additional costs of IER and has indicated that the Revenue Support Grant will be increased accordingly in future years to take this into account.

3.9 As indicated above, the current postholder has tendered his resignation with effect from 31 January 2016, and it is felt that sufficient evidence of additional workload has been seen to warrant this increase in the staffing establishment.

#### **4. What are the resource implications including non financial resources.**

4.1 This would increase the staffing of the team by 0.5 fte at a cost of approximately £13,000 (including on costs).

#### **5. Section 151 Officer comments:**

5.1 The proposal suggested within this report would increase the Council's base line revenue budget by approximately £13,000 per annum

#### **6. What are the legal aspects?**

6.1 The Electoral Registration and Administration Act 2013 places the responsibility on the Council to introduce IER and to ensure that sufficient staffing resources are in place to do so.

6.2 The Representation of the People Act 1983 places the responsibility on local authorities to provide sufficient staffing to meet its statutory electoral registration responsibilities.

#### **7. Monitoring Officer's comments:**

7.1 This report raises no issues for the Monitoring Officer.

#### **8. Report details:**

8.1 The introduction of IER has increased the workload in the Electoral Services team due to the requirement for all electors to individually apply to be on the electoral register, rather than this being done on a household basis as was previously the case.



- 8.2 This means that all new applicants in Exeter have to supply their date of birth and national insurance number so that their identity can be confirmed with the Department of Work and Pensions. There is also a requirement to obtain proof from two different sources to delete an elector, where this is not from a prescribed source.
- 8.3 Whilst approximately 80% of applicants are confirmed immediately, the remaining 20% have to either be chased to provide their information (approximately 14,000 home visits were made in the Autumn of 2015), or they have to provide some other form of information to confirm their identity.
- 8.4 Whilst the initial stages of registration can be done on-line (and there has been a relatively successful take-up of this), all other stages have to be done manually thereby increasing the workload of the team quite considerably in both volume and complexity.
- 8.5 On introduction of the new legislation, the Government was aware of the initial increase in workload this would bring to Councils and provided grants to each to assist with the transition to the new arrangements. This grant was particularly to cover the costs associated with the printing and postage of all the necessary forms, the door to door canvassing which would be needed as well as additional staffing. A similar grant has been achieved for 2015/16.
- 8.6 The Government has recently brought forward the end of the transition period for the introduction of IER to this year, which has given rise to some uncertainty as to the future of this ring fenced grant. However, the Government recognises the additional costs of IER and has indicated that the Revenue Support Grant will be increased accordingly in future years to take this into account.
- 8.7 The experiences associated with the introduction of IER have been what were expected, and are considered to be the way in which electoral registration will continue in the future. As such, it is therefore requested, that the establishment of the Electoral Services team be permanently increased by 0.5 full time member of staff (making a total of 5fte). The costs of this would be in the region of £13,000 per annum (including on-costs).

**9. How does the decision contribute to the Council’s Corporate Plan?**

- 9.1 This decision will help ensure that efficient and effective delivery of services is maintained.

**10. What risks are there and how can they be reduced?**

- 10.1 If appropriate staffing resources were not provided to carry out this statutory responsibility, the Council could find itself being legally challenged which could invalidate election results in the City thereby incurring additional costs if they had to be re-run.
- 10.2 If the Council fell behind in its electoral registration responsibilities, it would be identified by the Electoral Commission as “under-performing” which could lead to further actions being taken against the Council and Electoral Registration Officer.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

11.1 The legislation ensures that the ability to register to vote is made available to all aspects of society, including those who are disadvantaged. Appropriate levels of staffing are therefore required to undertake these responsibilities.

**12. Are there any other options?**

12.1 Not that are considered appropriate bearing in mind the statutory responsibilities placed on the authority.

**John Street  
Corporate Manager, Democratic & Civic Support  
Electoral Registration Officer and Returning Officer**

**Local Government (Access to Information) Act 1972 (as amended)  
Background papers used in compiling this report:-**

Contact for enquires:  
Democratic Services (Committees)  
Room 2.3  
01392 265275

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