

PEOPLE SCRUTINY COMMITTEE

Date: Thursday 2 March 2017

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 Howard Bassett, Democratic Services Officer (Committees) on 01392 265107.

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

Membership -

Councillors Wardle (Chair), Foale (Deputy Chair), Branston, Foggin, Hannan, Holland, Newby, Packham, Robson and Vizard

Agenda

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

1 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To sign the minutes of the meeting held on 5 January 2017.

3 Declaration of Interests

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

prior to the day of the meeting.

4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public

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

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

5 Questions from the Public under Standing Order 19

Details of questions should be notified to the Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (Committees) (Tel: 01392 265115) and also on the Council web site - www.exeter.gov.uk/decisions.

6 Questions from Members of the Council under Standing Order 20

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

7 Dementia Friendly Council Task and Finish Group Report

To consider the report of the Task and Finish Group.

(Pages 5 -
14)

ITEMS FOR DISCUSSION

8 HRA Budget Monitoring to December 2016

To consider the report of the Assistant Director Finance.

(Pages 15
- 30)

9 People Budget Monitoring to December 2016

To consider the report of the Assistant Director Finance.

(Pages 31
- 40)

Date of Next Meeting

The next scheduled meeting of the People Scrutiny Committee will be held on **Thursday** 1 June 2017 at 5.30 pm in the Civic Centre.

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265107 for further information.

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REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 2nd March 2017

Report of: Cllr Robson
Chair of the Dementia Friendly Council Task and Finish Group:
Champion for Older People

Title: Dementia Friendly Council Task and Finish Group Report.

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

To report the findings and recommendations of this Task and Finish Group to the People Scrutiny Committee.

2. Recommendations:

The Executive:-

- a) Encourage organisations such as the Alzheimer's Society, memory cafés and Age Concern to apply for allotments for use by those with dementia.
- b) Outlines the work of this Task and Finish Group, in a press and social media release, highlighting that the Council can offer appointments later in the day, upon request.
- c) Establishes what information sharing there is already between Council departments in respect of vulnerable individuals, such as those with dementia and investigate the process for recording and sharing new information.
- d) Continues to support dementia friendly staff training across the Council, encouraging staff to become Dementia Champions.
- e) Looks into providing different modules of more in depth training for officers who work directly with members of the public.
- f) Explores dementia training as a compulsory requirement before a Hackney carriage/Private Hire driver's licence is granted.
- g) Ensures that dementia friendly engagement is reflected and considered in the social inclusivity dimension of evaluating procurements.
- h) Requires trained front line staff in particular to wear dementia friendly badges and a forget-me-not sign to be placed in a prominent place in the Customer Service Centre.
- i) Investigate the viability of providing a second toilet and/or carry out improvements to the existing toilet (including access) in the Customer Service Centre subject to costings and available resources.
- j) Provides clearer signposting for the toilet in the Customer Service Centre subject to costings and available resources.

- k) Provides a higher level of dementia awareness training for security staff.
- l) Investigates the potential for dementia friendly red coat tours.
- m) Ensures that information concerning dementia friendly activities is available at the tourist information centre.
- n) Encourages such organisations as the Devon Wildlife Trust and Active Exeter to adopt a dementia friendly approach in the provision of activities.
- o) Consider whether a similar review of other front line services within the Council should be undertaken at this stage and if so, to prioritise the order for review.

3. Reasons for the recommendation:

- To highlight that Exeter City Council is now a member of the Exeter Dementia Action Alliance and continues to take steps to improve the customer experience and delivery of Council services to those with dementia in accordance with its Action Plan.
- To help expand, update and improve upon the Exeter City Council's Alliance Action Plan.
- To recognise the many benefits and positive impact that various indoor and outdoor activities can have for people with dementia and to positively encourage external organisations to include dementia friendly activities where possible.
- To ensure that the City Council shares information on a cross departmental basis, to assist in communication and awareness when engaging with those with dementia.
- To ensure that front line staff, in particular, receive an appropriate level of dementia training so that they may engage more sympathetically and with an increased level of understanding.
- To ensure that external companies and individuals, who provide services for or on behalf of the Council, have an understanding of dementia, particularly where such services involve direct contact with the public.
- To improve the customer experience for those visiting the Customer Service Centre. Having trained staff, wearing dementia friendly badges and displaying a forget-me-not sign in the Customer Service Centre will provide reassurance and encourage openness and communication.
- To ensure that the toilet facility within the Customer Service Centre is more accessible and dementia friendly and to investigate whether a second toilet is achievable both in terms of location and cost.
- To encourage external organisations to provide dementia friendly activities for the benefit of the overall community.

4. What are the resource implications including non-financial resources:

There are no resource implications, save for recommendations set out in paragraph 2(i) and 2(j). Adaptations and/or improvements may only proceed provided that funds are available from the existing budget. Where this is not possible, specific Council approval for expenditure will be sought at a later date once costings are available.

5. Section 151 Officer Comments:

The recommendations are noted. Should there be a need for additional funding a further report to Full Council will be required to seek approval for the additional budget if funds are not available within existing resources.

6. What are the legal aspects?

None Identified

7. Monitoring officer Comments

This report raises no issues for the Monitoring Officer.

8. Report Details:

This topic was identified as a priority for Task and Finish Group investigation following the Annual Scrutiny Work Programme meeting in July 2016.

To set the context for this report, Dementia is arguably said to be the biggest health crisis facing the UK. Alzheimer's Society figures indicate that there are currently 850,000 people living with Dementia in the UK and this figure is predicted to rise to 2 million by 2051. Research suggests that individuals with dementia can often feel depressed, anxious, isolated, can often feel stigmatised and not part of the community.

Exeter City Council has recently become a member of the Exeter Dementia Action Alliance, reinforcing the initial steps towards the Council becoming a dementia friendly organisation, continuing to ensure that the services offered strive to reflect the needs of individuals.

A copy of Exeter City Council's existing Action Plan is attached to this report as additional background information for Members. The Action Plan is an ever evolving, aspirational document which is not prescriptive and can be updated at any time. The actions are minimal at present and concentrate upon Dementia Friends' Sessions, Dementia Champions and making the City Council car parks more dementia friendly. The work of this Task and Finish Group will provide useful additions and serve to enhance the existing Action Plan.

Being Dementia Friendly is about being aware of the impact that the condition has on a person and their life and how this might affect their behaviour and their ability to undertake everyday tasks. If someone experiences difficulty or confusion whilst accessing Council services it may suggest that they have dementia but this may not necessarily be the case. However, if someone is suspected as having dementia, they may need extra help, support, time and consideration. This requires good people skills, kindness, common sense, good communication skills and a culture of customer care.

Membership of the Group consisted of:-

Cllr Robson (Chair)
Cllr Bull
Cllr Foggin
Cllr Lyons
Cllr Morse
Cllr Newby

Council Officers:-

Bindu Arjoon, Assistant Director, Customer Access
Andrea Adey, Human Resources Business Partner
Melinda Pogue-Jackson, Policy Officer
Dawn Rivers, Programme Manager - Communities

The Scope

Key Objectives:-

To find out:-

- How the Council can improve provision of services to those with Dementia and their carers.
- What can be achieved?
- What are the resource implications and what funding could be available?

Anticipated Value of Work/Outcome:-

- Improving the quality of provision of the City Council's services to those with dementia and their carers, creating a more positive experience.
- Continuing to raise awareness of dementia.
- Improving the way in which front line Council staff may identify and assist those customers with dementia.

The Council's Core Strategy:-

The Council's Core Strategy (2.29) deals with the topic of diversity, stating that, "The population consists of many different groups with different needs. In particular, young people, older people, people with disabilities..... can all, at times, feel excluded from society, community life and the decisions that affect them. Exeter City Council continues to work with these groups to ensure their needs are met.

The Background

The Group met on four occasions. The first meeting focussed on agreeing the scope and identifying external guests to be invited to future meetings. It was quickly agreed that it would be critical for the Group to focus on a particular area, working out

constraints, ambitions and what the Council could realistically achieve, change or adapt. Initially, it was agreed that the work of this Group should focus upon the Customer Service Centre both in respect of delivery of service and current facilities. However, the Group appreciated that there are other front line services across the Council which may benefit from a similar review – an aspect which this Committee is invited to discuss.

Representatives from Exeter Dementia Action Alliance, The Alzheimer's Society, the Community Participation Officer from John Lewis (Exeter branch) and the Community Participation Officer from the RAMM, attended subsequent meetings and outlined their priorities, ongoing work and views and participated in Group discussions, answering Members' questions. Both RAMM and John Lewis are existing members of the Exeter Dementia Action Alliance and are successfully implementing dementia friendly training, engagement, and in the case of RAMM, dementia friendly activities. What became apparent was that our guests placed great emphasis on training front line staff, such as first aiders and security protection staff who were identified as a priority whilst also understanding the role and perspective of carers. Teamwork between departments was identified as crucial and the introduction of staff wearing dementia friendly badges had proven to be more successful than initially thought, creating a lot of interest with the general public and opening conversations with visitors.

A valuable insight was also provided by members of the Torbay Dementia Leadership Group who visited the Customer Service Centre to observe the front line service and facilities from the point of view of a person with dementia and to see if the Council could make any improvements to the existing customer experience.

It seems both necessary and appropriate to spend some time in this report relaying the observations of this Group.

Generally the feedback was very positive. Staff were described as "excellent, friendly and engaging". Our guests said that they were delighted by the modern, welcoming and friendly feel of the Service Centre. Access was perceived as good with a gradual slope and wide area with a good surface. Choice of colours for flooring/mats were good and they liked the idea of the seating areas and booths. Areas which could be improved upon were:-

- training for security staff;
- for trained staff to wear dementia friendly badges so that they could be easily identified and approached with confidence, providing a feeling of reassurance that specific needs would be understood;
- access to the existing toilet;
- signage to the existing toilet;
- the existing toilet requires some work to bring it up to a dementia friendly standard;
- provision of a second toilet in the Customer Service Centre

The recommendations contained within this report are a reflection of the observations, suggestions and considerations as to how Exeter City Council might become more dementia friendly and are designed to complement existing work by identifying further areas for improvement.

9 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?

This work directly relates to the council's duties under the Equality Act 2010 and overall will impact positively both on this policy area as well as Safeguarding. However, each initiative will need to be screened for impact separately to ensure there is no negative impact on any other protected characteristics.

**Cllr Robson: Chair of the Dementia Friendly Council Task and Finish Group
Champion for Older People**

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

None

Contact for enquiries: Anne-Marie Hawley, Scrutiny Programme Officer
Tel No: (01392) 265110
Room 2.3

Local Membership Form

By joining as a local member your organisation will be given a page on the DAA's website www.dementiaaction.org.uk, which links to your local alliance page (if one exists in your area). If you are completing this form on a computer, please click on the relevant boxes to fill them in and save the document to one of your files.

You can then email it to dementiaactionalliance@alzheimers.org.uk

Please also send us your organisation's logo (if possible by e-mail in .jpg format) – it will be displayed on your page along with your Action Plan.

Organisation name _____ Exeter City Council _____

Our commitment:

- **Our organisation agrees to sign up to the National Dementia Declaration - www.dementiaaction.org.uk/nationaldementiadeclaration and**
- **commits to our action plan below:**

Contact Details

Contact name and role	Melinda Pogue-Jackson, Policy Officer
Address	Exeter City Council Rm 3.11, Civic Centre Paris Street Exeter EX1 1JN
Phone	01392 265293
Email	melinda.pogue-jackson@exeter.gov.uk
Website	exeter.gov.uk

Can we share your contact details with other Dementia Action Alliance members?

Yes No

Organisation type - please tick the relevant words that best reflect your organisation

- | | | | |
|---|---|---|------------------------------------|
| <input type="checkbox"/> Arts | <input type="checkbox"/> Health | <input checked="" type="checkbox"/> Public sector | <input type="checkbox"/> Utility |
| <input type="checkbox"/> Care | <input type="checkbox"/> Hospitality | <input type="checkbox"/> Recreation | <input type="checkbox"/> Voluntary |
| <input type="checkbox"/> Communication | <input type="checkbox"/> Medical | <input type="checkbox"/> Research | <input type="checkbox"/> Other |
| <input type="checkbox"/> Emergency Services | <input type="checkbox"/> Membership | <input type="checkbox"/> Retail | |
| <input type="checkbox"/> Finance | <input type="checkbox"/> Pharmaceutical | <input type="checkbox"/> Transport | |

Organisation summary - Please tell us briefly (up to 150 words) what your organisation does:

Exeter City Council is a district council with responsibility for providing a number of public services including housing, refuse and recycling collections, planning, economic development, tourism and leisure. Although we do not have responsibility for health and social care and education we work closely with our partner organisations that do, including Devon County Council, to ensure and good quality of life for our residents

Local Alliance – Please tell us what local alliance you would like to join or the area you cover if one does not exist:

Exeter

Making A Difference - helping your organisation/ community become more dementia-friendly:

1. How can your organisation help to support people with dementia and families/carers?

We aim to improve access to all our services and provide services that meet the needs of all our customers. As a local authority we are required to meet the Public Sector Equality Duty as well as other elements of the Equality Act 2010 and in doing so will promote awareness of dementia with our partners and the wider public.

2. What are the challenges to delivering these outcomes for your organisation?

We will be delivering this action plan against the backdrop of competing priorities and reduced budgets. Working wherever possible with partner organisations and making links into other priority areas such as equality and safeguarding should help to maintain momentum.

3. How can you overcome these challenges?

For instance, your Action Plan could include:

- raise awareness of dementia to customers, people who use your service, or your community
- organise education and training for staff and volunteers.
- make environments more dementia friendly

You can describe activities that are already happening or those being planned.

Make sure your plan is practical and achievable for your organisation. One action may be right for a small group, please list no more than ten actions. Highlights of your Action Plan will be published on the Dementia Action Alliance website.

Our Action Plan is:

Action 1:

Title: *Improve our understanding of dementia*

Description: We will continue to arrange awareness sessions on dementia for staff, councillors and contractors. We have already run awareness sessions, but will repeat them on a regular basis and make them part of an overall equality and diversity training plan.

Action progress:

Please highlight in bold the relevant word for each action or add your own.

- Case Study
- Planning**
- Delivery
- Uncompleted
- Implementation
- Launch event – advocacy
- Initial Scoping
- Other: _____

Action 2:

Title: *Dementia Champions*

Description: In order to support Action 1 we will also aim to train two Dementia Champions who are then able to run awareness sessions for our staff and promote dementia awareness within the council.

Action progress:

Please highlight in bold the relevant word for each action or add your own.

- Case Study
- Planning**
- Delivery
- Uncompleted
- Implementation
- Launch event – advocacy
- Initial Scoping
- Other: _____

Action 3:

Title: *Dementia-friendly car parks*

Description: We will work to make our car parks more dementia friendly by ensuring that staff have attended dementia friends sessions and will look into setting aside parking bays for the use of customers with dementia and their carers.

Action progress:

Please highlight in bold the relevant word for each action or add your own.

- Case Study
- Planning**
- Delivery
- Uncompleted
- Implementation
- Launch event – advocacy
- Initial Scoping
- Other: _____

Please add further Actions if necessary

We will make sure that dementia is highlighted as an issue in our strategic plans and policies such as the Equality Policy and future housing strategies; and in relevant committees such as the Health and Wellbeing Board.

We will also look at how we can promote flexible working with staff who have caring responsibilities for relatives with dementia and signpost support.

For ideas on how other organisations have completed their Action Plan, visit the Dementia Action Alliance website: www.dementiaaction.org.uk

Thank you. Please send your completed form **and logo** to: dementiaactionalliance@alzheimers.org.uk

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REPORT TO: SCRUTINY COMMITTEE - PEOPLE
DATE OF MEETING: 2 March 2017
REPORT OF: Assistant Director Finance
TITLE: Housing Revenue Account Budget Monitoring - December 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn forecast for the nine months of the financial year up to 31 December 2016 in respect of the Housing Revenue Account and the Council's new build schemes.

A budget monitoring update in respect of the HRA Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Housing Revenue Account.

In addition to the budgetary over/under-spends reported to this committee, Appendix 1 also highlights further areas of risk, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring, by officers.

2. Recommendations:

That Members of Scrutiny Committee – People assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep an HRA in accordance with proper accounting practices and to review the account throughout the year. This is the third quarterly financial update in respect of the HRA for 2016-17.

4. What are the resource implications including non financial resources

The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2016-17 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 Housing Revenue Account, as at 31 December 2016.

6. What are the legal aspects?

The Housing Revenue Account is framed by the Local Government and Housing Act 1989. This Act created the ring-fence and the structure within which the HRA operates and covers

the detailed operation of the HRA, including the credits (income) and debits (expenditure) which make up the account.

7. Monitoring Officer Comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

HRA BUDGET MONITORING TO 31 DECEMBER 2016

8.1 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net surplus of £816,053 in 2016-17. This represents a reduction in net costs of £958,178 compared to the revised budgeted deficit of £142,125 for 2016-17; the main deviations from budget are set out below. Please also refer to Appendix 2.

Budget Heading	Forecast Budget Variance (Under)/Overspend	Explanation
Budgeted Deficit	£44,125	
Supplementary budget for Mobile Working	£70,000	Executive approved 12 July 2016
Supplementary budget for Low Maintenance and Painting	£28,000	Executive approved 12 July 2016
Revised Budgeted Deficit	£142,125	
Budget variances reported in Quarter 1	£26,188	Scrutiny Committee – People 1 September 2016
Budget variances reported in Quarter 2	(£366,066)	Scrutiny Committee – People 3 November 2016
Budget variances to be reported in Quarter 3:		
Management Costs	£41,200	<ul style="list-style-type: none"> • This reflects redundancy costs resulting from the senior management restructure and the restructure of older persons' housing and housing-related support services. • Savings in consultancy fees and printing costs are also projected.
Housing Customers	(£25,500)	<ul style="list-style-type: none"> • A backdated refund has been received in respect of communal lighting electricity, due to over-estimated accounts.

Sundry Land Maintenance	(£40,000)	<ul style="list-style-type: none"> Significant progression of tree maintenance works is pending the appointment of a Housing Tree Officer in 2017-18, following Executive approval on 10 January 2017. In the interim, essential trees work are being undertaken as identified during routine surveys. A supplementary budget will be requested to carry forward these monies into 2017-18.
Repairs & Maintenance Programme	(£320,000)	<ul style="list-style-type: none"> This represents a combination of forecast savings, most notably due to: <ul style="list-style-type: none"> - A projected £220k saving in respect of general reactive repairs which reflects the current pattern of reported faults; either reported by tenants or identified by Housing Customer Relation Officers when undertaking property inspections. - It is anticipated that £60k of the low maintenance and painting programme budget will need to slip into next financial year. Due to its listed status, the windows for Weirfield House need to be purpose made and the manufacturers are advising a 10 week delay. For this reason Executive approval will be sought to carry forward the under-spend into 2017-18.
Housing Assets	(£154,000)	<ul style="list-style-type: none"> Predominantly reflects an £80k saving in respect of the stock condition survey following the outcomes of a tender process and slippage of £65k into 2017-18, as completion of the survey is expected to overlap financial years. <p>The survey will cover; 60% dwellings, 100% communal areas and 30% garages and is due to start in February.</p>
Rents	(£20,000)	<ul style="list-style-type: none"> Reflects backdated rent increases in respect of lease agreements at Rennes House
Interest	(£100,000)	<ul style="list-style-type: none"> A slight rise in interest rates coupled with higher than anticipated HRA balances (working balance, Major Repairs Reserve and capital receipts) is likely to result in additional investment income.
Total budget variances	(£958,178)	
Projected HRA surplus	(£816,053)	Transfer to the HRA Working Balance

8.2 Impact on HRA Working Balance

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years.

The forecast balance, as at 31 March 2017, is set out below:

Movement	2016/17
Opening HRA Working Balance, as at 1/4/16	£7,068,670
Forecast surplus for 2016/17	£816,053
Balance resolved to be retained (HRA contingency)	(£4,000,000)
Balance Available, as at 31/3/17	£3,884,723

8.3 HRA Available Resources over the Medium Term

The forecast HRA available resources for delivering both housing services and capital investment have been significantly affected by the requirement to reduce social rents by 1% each year over the next 4 financial years; 2016/17 to 2019/20.

Appendix 3 sets out the total forecast HRA available resources up to 2019/20, which reflects this Government policy.

8.4 HRA Capital Programme

The 2016-17 HRA Capital Programme was last reported to Scrutiny Committee – People on 3 November 2016. Since that meeting the following changes have been made that have reduced the programme.

Description	2016/17	Approval / Funding
HRA Capital Programme	£14,504,530	
Budgets deferred to future financial years	(£2,556,620)	Executive 6 December 2016
Overspends declared	£90,610	Executive 6 December 2016
Acquisition of 2A Faraday House	£104,950	Delegated Powers 16 November 2016
Revised HRA Capital Programme	£12,143,470	

8.5 Performance

The current HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend of £6,282,661 compared to the £12,143,470 approved programme, a decrease of £5,860,809.

8.6 Capital Budget Variances

The details of key variances from budget are set out below.

Scheme	Forecast Overspend / (Underspend)	Explanation
Electrical Re-wiring	(£95,587)	A saving is forecast in respect of re-wires to void properties, as lower than anticipated level of electrical

		re-wires required following electrical inspection
Fire Alarm – Russett House	(£30,000)	Due to the change in use from offices to flats (38 and 38A) the fire alarm no longer requires replacing in accordance with fire regulations
Scheme	Budget to be deferred to 2017/18	Explanation
Energy Conservation	£86,000	Plans to provide external wall insulation to 18 properties are programmed for 2017-18. This budget is required to be slipped into next financial year, so that it can be amalgamated with the 2017-18 budget provision and undertaken as one contract.
LAINGS Refurbishments	£140,000	The extensive refurbishment of 17 LAINGS properties has been delayed as a result of higher than budgeted tender prices. An options appraisal is currently being undertaken.
Communal Areas	£48,820	Planned improvements to flooring in communal areas has been delayed due to issues with the floor adhesive. Officers are currently working with the manufacturer to resolve the issue before rolling out planned works.
Whipton Barton House Water Mains	£50,000	Officers have been working with South West Water in respect of wayleaves. Works have therefore been delayed until the necessary arrangements are in place.
Re-roofing Works Shilhay	£155,780	The contract for this scheme is currently out to tender with tenders due back on 2 February. A 30 day consultation with leaseholders will then follow. Works are therefore not expected to start on site until May/June 2017.
COB Wave 2 – Rennes House car park	£261,620	The budget for the development of this site has been re-profiled in accordance with the latest cash-flow projections.

		Progress on site has been slightly impeded by freezing temperatures affecting the laying of blockwork. However, completion of this development is still scheduled for September 2017.
St Loyes Extra Care	£3,839,732	The budget for this new build scheme has been re-profiled in accordance with the latest cash-flow projections. Significant slippage of this scheme has occurred as original tender prices were higher than expected which necessitated a second tender process. This was reported to committee as a budgetary risk in June and September. The outcomes of the second tender process are due by mid-March. This scheme therefore remains a budgetary risk until such time as full scheme costs are known. A report will be prepared for Executive on 11 April to update Members.
Acquisition of Social Housing – Open Market	£1,000,000	Officers are currently identifying opportunities to buy-back former council homes along with new builds both inside and outside the local authority area. It is anticipated that completions will take place in the next financial year.

9. COUNCIL OWN BUILD BUDGET MONITORING TO 31 DECEMBER 2016

The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

9.1 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net surplus of £44,020 achieved in 2016-17, which will be transferred to the COB working balance. This represents an increase of £6,000 compared to the budgeted transfer to the working balance of £38,020.

MU Code	Management Unit	Budget Variance Overspend / (Underspend)	Explanation
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85B5	COB	(£6,000)	<p>Lower management costs due to vacant posts coupled with lower than budgeted general repair costs.</p> <p>The recovery of lost rental income and additional costs in previous financial years whilst snagging issues were resolved at Knights Place form part of a claim to the main contractor and have been highlighted as an area of budgetary risk.</p>
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10. How does the decision contribute to the Council’s Corporate Plan?

The Housing Revenue Account contributes to two key purposes, as set out in the Corporate Plan; help me find somewhere suitable to live and maintain our property assets.

11. 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. Appendix 1 sets out the risks identified, as at December.

In addition to individual areas of budgetary risk, the HRA is facing a broader financial risk in respect of the High Value Assets Levy, which may require the Council to make a payment to the Government in respect of its ‘high value’ housing. Due to the uncertainty regarding the definition of ‘high value’ and calculation of the levy payable, it is considered prudent to increase the HRA contingency from £3,000,000 to £4,000,000 over the medium term.

12. 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

13. Are there any other options?

No

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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AREAS OF BUDGETARY RISK**APPENDIX 1**

A number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	Approved Budget	Risk
General Maintenance	£1,870,000 (revenue)	The volatility of the level of reported faults due to factors beyond the control of the Council, for example adverse weather conditions represent a budgetary risk. The impact of property inspections undertaken by the Housing Customer Team may also lead to the identification of additional repairs.
Rental Income from Dwellings	£19,110,000 (revenue)	Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income. Rental income is slightly behind profile due to a rise in the level of arrears and a rise in the amount of rent lost through void properties.
St Loyes Extra Care	£4,294,120 (capital)	Tenders for the main construction contract have been returned and are now subject to external review. The overall cost of the scheme and cash-flow forecast for the project are pending the appointment of the main contractor.
Knights Place	No budget (capital)	Significant works have been required to resolve water penetration issues at Knights Place and the costs and associated lost rental income form part of a claim to the main contractor.

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2016-17

APPENDIX 2

APRIL 2016 TO DECEMBER 2016

ACTUAL TO DATE			YEAR END FORECAST				
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
543,836	413,836	(130,000)	85A1	1,161,560	(54,000)	(12,800)	1,148,760
835,223	801,045	(34,178)	85A2	1,273,940	17,800	(7,700)	1,266,240
135,828	46,498	(89,330)	85A3	375,870	0	(40,000)	335,870
4,925,856	3,916,921	(1,008,935)	85A4	6,112,390	(272,500)	(592,500)	5,519,890
0	0	0	85A5	4,689,075	0	0	4,689,075
2,656,950	2,721,772	64,822	85A6	2,656,950	64,822	64,822	2,721,772
850,443	721,976	(128,467)	85A7	1,521,790	(81,000)	(235,000)	1,286,790
(15,487,199)	(15,259,813)	227,386	85A8	(19,563,510)	(15,000)	(35,000)	(19,598,510)
0	0	0	85B2	1,914,060	0	(100,000)	1,814,060
			85B4	(142,125)	339,878	958,178	816,053
			Net Expenditure	0	0	0	0
			Working Balance 1 April 2016	7,068,670		31 March 2017	7,884,723

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COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
(7,113)	(9,663)	(2,550)	H006	(7,700)	0	(2,000)	(9,700)
(41,187)	(51,576)	(10,389)	H007	(49,290)	(3,000)	(5,000)	(54,290)
0	0	0	H008	6,890	0	1,000	7,890
12,080	11,865	(215)	H009	12,080	0	0	12,080
			H010	38,020	3,000	6,000	44,020
			Net Expenditure	0	0	0	0
			Working Balance 1 April 2016	169,043		31 March 2017	213,063

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2016-17 £	2017-18 £	2018-19 £	2019-20 £	2020-21 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						2,898,176
Major Repairs Reserve Brought Forward						6,310,319
Other HRA Sales	174,222	0	0	0		174,222
RTB sales	2,250,000	500,000	500,000	500,000	400,000	4,150,000
Hand over to Housing Association / Surrender back to DCLG	(1,500,000)	0	0	0	0	(1,500,000)
Major Repairs Reserve	2,721,772	2,935,930	2,935,930	2,935,930	2,935,930	14,465,492
Revenue Contributions to Capital	4,689,075	6,496,642	4,496,555	2,500,000	2,500,000	20,682,272
External contributions	139,562	275,134	0	0	0	414,696
Grant funding	0	1,117,500	588,500	0	0	1,706,000
Commuted sums	454,388	464,714	5,395,633	181,281	0	6,496,016
Total Resources available	8,929,019	11,789,920	13,916,618	6,117,211	5,835,930	55,797,193
CAPITAL PROGRAMME						
HRA Capital Programme	12,143,470	20,606,482	16,043,957	6,293,704	5,897,814	60,985,427
Dec - Overspends / (Savings)	(94,831)					(94,831)
Dec - Slippage / Re-profiling	(5,765,978)					(5,765,978)
Total Housing Revenue Account	6,282,661	20,606,482	16,043,957	6,293,704	5,897,814	55,124,618
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	2,898,176	3,217,447	855,968	355,968	355,968	2,898,176
Major Repairs Reserve Brought Forward	6,310,319	8,637,406	2,182,323	554,984	378,491	6,310,319
Resources in Year	8,929,019	11,789,920	13,916,618	6,117,211	5,835,930	46,588,698
Less Estimated Spend	(6,282,661)	(20,606,482)	(16,043,957)	(6,293,704)	(5,897,814)	(55,124,618)
Uncommitted Capital Resources	11,854,853	3,038,291	910,952	734,459	672,575	672,575
WORKING BALANCE RESOURCES:						
Balance Brought Forward	7,068,670	7,884,723	5,484,948	4,891,836	5,713,555	7,068,670
HRA Balance Transfer - Surplus/(Deficit)	(142,125)	(2,303,775)	(593,112)	821,719	594,774	(1,622,519)
June forecast overspend	(26,188)					(26,188)
September forecast savings	366,066					366,066
December forecast savings	522,300					522,300
December forecast underspends/carry forward	96,000	(96,000)				0
Balance Carried Forward	7,884,723	5,484,948	4,891,836	5,713,555	6,308,329	6,308,329
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
	3,884,723	1,484,948	891,836	1,713,555	2,308,329	2,308,329
TOTAL AVAILABLE CAPITAL RESOURCES	15,739,576	4,523,239	1,802,788	2,448,014	2,980,904	2,980,904

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**2016-17
CAPITAL MONITORING TO 31 DECEMBER 2016**

		2016-17 Capital Programme	2016-17 Spend	2016-17 Forecast Spend	2016-17 Budget to be Carried Forward to Future Years	2016-17 Programme Variances Under ()
		£	£	£	£	£
	HRA CAPITAL					
7HHOME	EVERYONE HAS A HOME					
Z4212	Adaptations	450,000	400,386	450,000		0
Z4402	Rendering of Council Dwellings	0	15,841	15,841		15,841
Z4703	Environmental Improvements - General	30,000	10,356	15,000	15,000	0
Z4705	Programmed Re-roofing	236,500	7,695	236,500		0
Z4709	Energy Conservation	86,000			86,000	0
Z4718	LAINGS Refurbishments	219,300	70,660	79,300	140,000	0
Z4719	Kitchen Replacement Programme	468,610	200,856	468,610		0
Z4724	Bathroom Replacements Programme	398,280	212,214	398,280		0
Z4740	Other Works	23,950	32,500	32,500		8,550
Z4742	Fire Precautionary Works to Flats	250,000	179,821	250,000		0
Z4743	Communal Areas	48,820			48,820	0
Z4745	Structural Repairs	55,000	10,203	15,000	40,000	0
Z4755	Rennes House Structural Works	129,090	42,180	80,680	48,410	0
Z4758	Common Area Footpath/Wall Improvements	494,050	272,526	494,050		0
Z4760	Lift Replacement 98 Sidwell Street	63,000	63,111	63,111		111
Z4763	Soil Vent Pipe Replacement	25,000	2,955	10,000		(15,000)
Z4764	Electrical Central Heating	18,750				(18,750)
Z4767	Faraday House Roof Replacement	7,020	7,024	7,024		4
Z4802	Electrical Re-wiring	778,100	170,962	664,513	18,000	(95,587)
Z4901	Central Heating Programme	50,000	40,046	70,000		20,000
Z4903	Boiler Replacement Programme	145,090	132,591	165,090		20,000
Z4908	Fire Alarm - Russet House	30,000				(30,000)
Z4909	Fire Risk Assessment Works	60,000		27,450	32,550	0
Z4911	Whipton Barton House Water Mains	50,000			50,000	0
Z4914	Re-roofing Works Shilhay	165,000	9,220	9,220	155,780	0
Z4916	Replacement Housing Management System	125,000		108,000	17,000	0
	HOUSING REVENUE ACCOUNT TOTAL	4,406,560	1,881,147	3,660,169	651,560	(94,831)
	COUNCIL OWN BUILD CAPITAL					
Z3214	COB Wave 2 - Rennes Car Park	2,171,030	545,193	1,896,344	274,686	0
Z3220	St Loyes Extra Care	4,294,120	377,850	454,388	3,839,732	0
Z4751	Acquisition of Social Housing - Section 106	271,760	110,206	271,760		0
Z3201	Acquisition of Social Housing - Open Market	1,000,000			1,000,000	0
	COUNCIL OWN BUILD TOTAL	7,736,910	1,033,249	2,622,492	5,114,418	0
	OVERALL HOUSING REVENUE ACCOUNT TOTAL	12,143,470	2,914,396	6,282,661	5,765,978	(94,831)

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REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 2 MARCH 2017
Report of: Assistant Director Finance
Title: Budget Monitoring Report to 31 December 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

This report advises Members of any material differences to the approved budget in respect of the People Scrutiny Committee revenue and capital budgets.

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

2. Recommendations:

That Members of People Scrutiny Committee note the content of this report in order to be satisfied that prudent steps are being taken to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of People Services.

4. What are the resource implications including non financial resources

The financial resources required to deliver People Services during 2016/17 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 projected financial position of People Services as at 31 March 2017.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Revenue Budget Monitoring to 31 December 2016

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the approved budget by a total of £108,776 after transfers from reserves and revenue, contributions to capital, as detailed in Appendix 1. This represents a variation of 2.86%

from the revised budget. This includes supplementary budgets of £158,000 already agreed by Council.

8.2 The significant variations by management unit are:

MU Code	Management Unit	Over / (Underspend) £	Detail
81C3	Affordable Housing Development	(75,070)	<ul style="list-style-type: none"> Work is progressing on the detailed business case for the formation of a new Development Company, but this work will continue into 2017/18. A supplementary budget will be requested in order to carry forward any underspend.
81C4	Private Sector Housing	32,000	<ul style="list-style-type: none"> Redundancy costs arising from the senior management restructure to be funded from the Redundancy Reserve Additional employee costs due to a successful JE appeal Lower than anticipated level of Houses of Multiple Occupation licence fees
81E1	General Fund Housing - Property	(90,000)	<ul style="list-style-type: none"> Low turnover of Private Sector Leased and Extralet properties is expected to result in both higher than budgeted rental income and savings in void repair costs. Reactive repairs are also lower as a result of referrals back to the landlord in accordance with the lease agreements.
86A1	Revenue Collection/Benefits	99,120	<ul style="list-style-type: none"> Reduced level of invoices resulting from Real Time Information updates and the Fraud and Error Reduction Initiative Scheme Redundancy costs to be funded from the Redundancy Reserve Staff savings due to vacancies during restructure

9. Capital Budget Monitoring to 31 December 2016

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

9.1 Revisions to the People Capital Programme

The 2016/17 Capital Programme, including commitments brought forward from 2015/16, is £1,434,540 and was last reported to People Scrutiny Committee on 3 November 2016. Since that meeting no changes have been made to the programme.

9.2 Performance

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £398,120 in 2016/17.

9.3 Capital Variances from Budget

No significant variances or issues concerning expenditure have arisen for this committee.

9.4 Capital Budgets Deferred to 2017/18

Schemes which have been identified as being wholly or partly deferred to 2017/18 and beyond are:

Scheme	16/17 Budget £	Budget to be Deferred £	Reason
Temporary Accommodation Purchase	300,000	300,000	It is likely that a property will be purchased in 2017/18.

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

People Committee contributes to 5 key purposes, as set out in the Corporate Plan: Customer access to help me with my housing and financial problem, make it easy for me to pay, provide suitable housing and be a good landlord.

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

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks within People Scrutiny Committee are attached as Appendix 3, for reference.

12. 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

13. Are there any other options?

No

DAVE HODGSON

Assistant Director Finance

Author: FINANCIAL SERVICES TEAM

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

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

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PEOPLE SCRUTINY COMMITTEE
BUDGET MONITORING

APRIL 2016 TO DECEMBER 2016

ACTUAL TO DATE			YEAR END FORECAST					
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	CODE	APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE	QTR 2 FORECAST VARIANCE	QTR 1 FORECAST VARIANCE
£	£	£		£	£	£		£
734,143	614,723	(119,420)	81C2	1,297,010	1,316,010	19,000	19,000	19,000
480,676	247,767	(232,909)	81C3	507,050	431,980	(75,070)	0	0
59,659	49,794	(9,865)	81C4	136,640	168,640	32,000	0	0
86,490	86,490	0	81C5	86,490	86,490	0	0	0
313,002	209,918	(103,084)	81E1	138,110	48,110	(90,000)	(60,000)	0
1,270,077	1,323,839	53,762	86A1	1,632,870	1,731,990	99,120	150,000	0
1,673,970	1,208,692	(465,278)	NET EXPENDITURE	3,798,170	3,783,220	(14,950)	109,000	19,000

TRANSFERS TO / (FROM) EARMARKED RESERVES

Expenditure funded by Redundancy Reserve (93,826)

OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	3,689,394
REVISED BUDGETS	3,798,170
ADJUSTED OUTTURN VARIANCE	(108,776)

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CAPITAL MONITORING TO 31 DECEMBER 2016

	2016/17 Capital Programme	2016/17 Spend to 31 December	2016/17 Forecast Spend	2016/17 Budget to be Carried Forward to 2017/18 and Beyond	2016/17 Programme Variances (Under)/Over
	£	£	£	£	£
PEOPLE					
<i>HELP ME FIND SOMEWHERE TO LIVE</i>					
Disabled Facility Grants	664,290	312,759	664,290		
Warm Up Exeter/PLEA Scheme	163,650	85,361	163,650		
Wessex Loan Scheme	112,260	0	112,260		
WHIL Empty Properties	189,000	0	189,000		
The Haven	5,340	0	5,340		
Temporary Accommodation Purchase	300,000	0	0	300,000	
PEOPLE TOTAL	1,434,540	398,120	1,134,540	300,000	0

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AREAS OF BUDGETARY RISK

The table below identifies areas that have been identified as a budgetary risk within the People Scrutiny Committee revenue budgets.

The revenue budget areas of risk are:

Budget Title	Approved Budget	Risk
Revenue Collection/Benefits – Housing Benefit Subsidy	£41,531,950	The Council administers over £41.5 m of Housing Benefit Subsidy for rent allowances and rent rebates. The claiming of subsidy is based on cost and administering within timescales varied from time to time by the Government. If timescales are not met, administrative errors minimized and overpayments reduced, there is a risk of paying out for Housing Benefit and only receiving a partial reimbursement of subsidy.

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