

PEOPLE SCRUTINY COMMITTEE

Date: Thursday 1 September 2016
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 2 June 2016.

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.

ITEMS FOR DISCUSSION

7 Student Accommodation Issues

To consider the report of the Assistant Director City Development.

(Pages 5 -
12)

8 Housing Revenue Account - Budget Monitoring to June 2016

To consider the report of the Assistant Director Finance.

(Pages 13
- 26)

9 People - Budget Monitoring to June 2016

To consider the report of the Assistant Director Finance.

(Pages 27
- 34)

**ITEM FOR CONSIDERATION BY THE
EXECUTIVE**

10 Review of Extended Opening in the Customer Service Centre

To consider the report of the Assistant Director Customer Access.

(Pages 35
- 38)

Date of Next Meeting

The next scheduled meeting of the People Scrutiny Committee will be held on **Thursday** 3 November 2016 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

Date of Meeting: 1 September 2016

Report of: Assistant Director City Development

Title: Student Accommodation Issues

Is this a Key Decision?

No.

Is this an Executive or Council Function?

Council

1. What is the report about?

On 2 June 2016, People Scrutiny Committee considered a report of the University Task and Finish Group. The Committee requested an update on student accommodation issues following deliberations by Planning Member Working Group. This report summarises and updates information provided to Planning Member Working Group on 21 June 2016. The data includes changes in the total number of students at the University of Exeter, in the present and future projected stock of purpose built student accommodation (PBSA) and in the number of Council Tax exemptions due to homes being entirely occupied by full time students.

2. Recommendations:

That the report be noted, in particular:-

- Student numbers in Exeter are likely to continue to increase.
- Imbalance in communities, that are popular student areas, caused by shared student houses is only likely to reduce if new PBSA is brought forward in excess of the total increase in student numbers.
- That even where new market private housing is provided in popular student areas (such as Central Station Yard) it tends to be occupied by a high proportion of students.
- The potential advantages of emerging proposals for significant amounts of additional PBSA at Streatham Campus.
- That students accommodation preferences to be close to the University, City Centre and other students mean that a more dispersed pattern of student accommodation is unlikely to be achievable.

3. Reasons for the recommendations:

To brief People Scrutiny Committee on the issue.

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

While the form of student accommodation does have implications for Community Infrastructure Levy income, New Homes Bonus awards and Council Tax receipts, there are no direct resource implications from this report.

5. Section 151 Officer Comments

There are no additional financial implications contained in this report.

6. What are the legal aspects:

This report does not address the issue of treatment of student accommodation in five year housing supply at planning appeals that has been reported to Members at Planning Member Working Group and Planning Committee.

7. Monitoring Officer's Comments:

This report raises no issues for the Monitoring Officer.

Report Details:

8.1 Background

PMWG has received annual reports on student accommodation issues since 2010. The last report, on 19 January 2016, also included a research report 'The options and implications for accommodating the future growth of students in Exeter' by Professor Darren Smith of the University of Loughborough plus some additional analysis of the financial effects of the University of Exeter and analysis of student related complaints. The material reported to PMWG was also presented to the University Task and Finish Group that reported to People and Place Scrutiny committees in June.

8.2 Total University of Exeter student population in Exeter

The University provides data on the total past and projected future number of students (excluding Cornwall campuses). Assumptions based upon past information are made on the proportion of students who live at home either within or outside the City. The remaining full-time students are assumed to need accommodation either in PBSA or in the private housing market. Annual estimates of student numbers do fluctuate from year to year, the latest estimates are below.

Year	Student FTE (exc overseas)	Less Part Time	Less Live @ Home	Annual Increase	Cumulative Increase
06/07	10,923	10,298	8,908		
07/08	11,535	10,967	9,536	628	628
08/09	13,056	12,481	10,890	1,354	1,982
09/10	14,724	14,138	12,420	1,531	3,512
10/11	15,252	14,667	12,929	509	4,021
11/12	15,510	14,884	13,165	236	4,257
12/13	15,050	14,383	12,722	-443	3,814
13/14	16,026	15,318	13,572	850	4,664
14/15	16,964	16,215	14,366	795	5,459
15/16	17,399	16,609	14,740	374	5,833
16/17 EST	18,038	17,248	15,308	567	6,400
17/18 EST	18,325	17,535	15,562	255	6,655
18/19 EST	18,639	17,849	15,841	279	6,933
19/20 EST	18,841	18,051	16,020	179	7,112

There was an increase of 374 students expected to need accommodation between 2014/15 and 2015/16 academic years. During that period the only new accommodation coming forward was Library Lofts (44 bedspaces) so an increase in Council Tax exemptions was expected in 2015/16.

567 additional students are expected to need accommodation in 2016/17. New schemes for 345 bedspaces are expected to be available at the Cricket Ground and Kingfisher House, however, Moberly House (139 bedspaces) may close for redevelopment. The number of Council Tax exemptions may therefore further increase in 2016/17. The average number of additional students needing accommodation over the next four years is 320 per annum. There is no longer term forecast of the future number of students beyond 2019/20, the past long term growth rate of those needing accommodation has been about 250 pa.

8.3 Purpose Built student Accommodation

About 4,300 bedspaces of PBSA have been provided since April 2006 (the start of the period covered by the Council's development plan).

This compares with a growth in students projected to need accommodation of 5,833 between the 2006/7 and 2015/16 academic years. This broadly meets the target that the Council set back in 2007 that about 75% of any increase in students should be accommodated in PBSA, however, that target does leave about 25% of extra students competing in the private housing market and has resulted in the continued growth in Council Tax exemptions.

Appendix One lists PBSA schemes that either have planning permission or have been subject to a pre application discussion. About 1,600 bedspaces of PBSA have planning consent. There are current planning applications and pre-application proposals for about a further 2,100 bedspaces that may get consent mainly at the Bus Depot and on Streatham Campus.

There may be potential for the University to also deliver further PBSA on Streatham campus through redevelopment of Clydesdale Rd area, and Birks Central plus conversion of Birks Grange.

The total potential future stock of PBSA that may be deliverable by 2019/20 comprises the following:

	Bedspaces
Planning consents	1,600
Current applications	700
Pre applications	1,650
Other schemes	c100
Total	4,050

A discount should be applied on the basis that some of these may not come forward due to planning, market or other problems. It may be reasonable to expect over 3,000 bedspaces could be delivered.

If over 3,000 additional bedspaces could be delivered by 2019/20, in a period when students in need of accommodation is expected to rise by about 1,300, then it may be possible to achieve a significant fall in Council Tax exemptions. At 2019/20 the total stock of PBSA would then be in excess of 11,300 bedspaces and the proportion of students in PBSA would have risen from about 44% in 2006 to about 72%, despite a similar 70% increase in the size of the total student population.

8.4 Council Tax exemptions

Council Tax exemption 'Class M' is properties where an exemption is claimed due to entire occupation by full time students. It is a proxy indicator for students who are in the private housing market such as in shared student houses. It will include many houses in multiple occupation (either Class C4 or sui generis uses) but also many privately rented or owned flats occupied by one or two students (Class C3 use). It does not include students who may share with people who are not full time students and therefore there is no claimed exemption, or students in lodgings with families. Data is usually presented for around 31 May utilising a regular return to Government. The list of exemptions also includes PBSA so this is separately identified in the analysis (Appendix Two). It does not include catered or other student accommodation that does not constitute a separate home.

Year	Conventional Housing Stock Exemptions	PBSA Exemptions	Total Exemptions
2006			1,184
2007			1,422
2008			1,526
2009			1,657
2010			1,930
31 May 2011	2,120	297	2,417
31 May 2012	2,194	530	2,724
31 May 2013	2,074	637	2,711
31 May 2014	1,888	1,096	2,984
01 April 2015	1,853	1,419	3,272
08 June 2016	2,032	1,493	3,525

In 2010, Government created a new use Class C4 for small houses in multiple occupation by 3-6 persons. The following Government then made changes of use from Class C3 ('family homes') to Class C4 Permitted Development not requiring planning permission. Exeter City Council made an Article 4 Direction covering about 7,200 homes in the City that removed that Permitted Development right bringing changes of use back within planning control. That was followed by a Class C4 uses supplementary planning document that sought to restrict any new Class C4 uses in the area where the Article 4 Direction applies. The Council's planning policies continue to treat PBSA developments on their merits.

The number of non-PBSA exemptions has increased in 2016 by about 180 (9.7%) halting the downward trend since 2012. This will be a result of the increase in university students needing accommodation (374) exceeding the new PBSA that has become available.

8.5 Issues

The University of Exeter is very successful and continues to expand. More students are expected to come to Exeter. This is good news for the City's economy and culture. It does pose a dilemma, Should they live in PBSA or in more shared student houses? Students in PBSA are less integrated into the wider community, however, they have less direct adverse impacts than more students occupying

shared houses in the traditional student areas. The Council's past policy approach has been to encourage 75% of any additional students to be accommodated in PBSA, however, that does leave the remaining 25% increasing pressures for shared student houses in popular student areas. A target of 100% or more of additional students in PBSA may be more appropriate.

A number of commentators suggest that student accommodation should be more evenly dispersed around the City. Most of the City's 13 wards have a negligible student population. Students could presently choose to rent shared houses outside popular areas, however, they choose not to do so, students prefer to congregate in areas where other students live. Improvements in transport such as cycle lanes and bus services are unlikely to significantly influence student behaviour and lead to greater dispersal. Developers of PBSA are also reluctant to build new accommodation outside traditional student areas due to the reduced demand.

If the imbalance in communities from high proportions of shared houses is to be addressed then there will be a need to change the traditional student undergraduate culture that you occupy PBSA in your first year then live out in a friendship group in a shared house in subsequent years. PBSA is also available to friendship groups.

If the number of Council Tax exemptions in private shared houses is to be reduced then the Council must continue to allow significant amounts of additional PBSA to be delivered that exceed the growth rate of the University. The sites continuing to come forward in the City and at Streatham should enable it to do this if planning permission is granted and they are implemented.

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

Information report only.

10.0 What risks are there and how can they be reduced?

The risks are outlined in the report. If PBSA comes forward at a slower rate than the University expands then Council Tax exemptions are likely to rise in popular student areas.

11.0 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 decision, no impact.

12.0 Are there any other options?

Options related to the quantum of future PBSA that may be provided and the degree of dispersal of future student accommodation.

Richard Short
Assistant Director City Development

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

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

COMMITTED AND POTENTIAL PBSA SCHEMES

Address	Cluster Flats	Studios	Total Dwellings	Total Bedspaces	Available
UNDER CONSTRUCTION					
Kingfisher House	0	203	203	203	Sept 16
Cricket Ground	22	44	66	159	Sept 16
PLANNING APPROVAL					
30-32 Longbrook Street	0	25	25	25	
Clifton Garage, Bonhay Rd	32	30	62	150	
Eagle Yard, Tudor Street	0	27	27	27	
Radmore & Tucker	98	0	98	98	
ECFC / Yeo & Davey	31	133	164	315	
Rougement Tel exc Queen St		132	132	132	
Renslade House prior approval		130	130	130	
Renslade House podia		247	247	247	
Quintana Gate, Barth'w St	6	115	120	127	
TOTAL COMMITMENT	189	1086	1274	1613	
CURRENT APPLICATIONS					
Bus Depot	58	164	222	587 inc dbl	
9 Verney Street	0	28	28	28	
OH Building, Heavitree Road	8	17	25	81	
TOTAL CURRENT APPLICATIONS	66	209	275	696	
PRE APPLICATION					
BHF, Cheeke Street	0	174	174	174	
East Park, Streatham Camp.	?	?	?	1318	
Spreytonway, St Germans	9	0	9	89	
Moberly, Glenthorne Rd (4)	20	0	20	77	
TOTAL PRE APP	29+	174+	203+	1658	
ECC ASSESSMENT OF REMAINING STREATHAM POTENTIAL					
Clydesdale Road area (1)				70	
Birks Central Est (3)	14	0	14	100	
Birks Grange Est (2)	?	0	40	-72	
Total possible schemes	109	383	532	2,452	
Total commitment/possibles	298	1,463	1800	4,059	

Excludes proposed Exeter College accommodation

- (1) Redevelopment potential mentioned in 2010 masterplan.
- (2) 360 catered rooms in clusters up to 9 assume 20% of rooms lost in conversion to 40 self-contained cluster flats.
- (3) Redevelopment of catered Birks Grange and Moberley would allow redevelopment of eating facilities at Birks Central Assume 100 rooms, 14 flats.
- (4) 139 catered rooms in clusters of up to 14. Assume redevelopment for notional 216 rooms in 20 clusters, net +77 rooms.

APPENDIX TWO

Council Tax Exemptions Due To Entire Occupation By Students 2015 & 2016

Purpose Built Student Accommodation Schemes	Exemptions 9 April 2015	Exemptions 31 May 2016
Exeter Trust House, Blackboy Road	35	35
Point Exe, Bonhay Road	-	-
Library Lofts, Rougement Place	-	44
Mansion Exeter One, Cowley Bridge Road	129	129
Artful Dodger House, Cowley Bridge Road/Taddiforde Road (1/5)	6	6
William Tarrant (12) & Coldridge House (10), Cowley Bridge Road (Red Cow)	-	22
Isca Lofts, 58-64 Longbrook Street	14	14
Portland House, Longbrook Street	157	156
71 Looe Road	33	33
Bovey/Creedy/Exe House, Lower Argyll Road	6	5
Iron Bridge Studios, Lower North Street	120	122
Birks Hall, New North Road	322	324
Molly Hayes Apartments, 41A New North Road	8	8
Northfield, New North Road	97	97
70-82 Pennsylvania Road	17	17
Kilmorie Mews, Pennsylvania Road	6	6
Bishops Blackall School, Pennsylvania Road	22	22
Picture House, Apartments, 69-73 Sidwell Street	85	85
Dean Clarke Lofts, Southernhay Gardens	30	30
Thornton Court, Thornton Hill	9	9
Various, St Germans Road	111	114
Holland Hall, Clydesdale Road	13	14
Northernhay House, Northernhay Place	46	46
The Tannery, Well Street	4	4
The Printworks, Western Way	151	151
	1,421	1,493

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REPORT TO: PEOPLE SCRUTINY COMMITTEE
DATE OF MEETING: 1 September 2016
REPORT OF: Assistant Director Finance
TITLE: Housing Revenue Account Budget Monitoring - June 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

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 first three months of the financial year up to 30 June 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 People Scrutiny Committee 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 first 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 30 June 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:

The Monitoring Officer has no issues to raise beyond those already highlighted to the members in this report.

8. Report Details:

HRA BUDGET MONITORING TO 30 JUNE 2016

8.1 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net deficit of £168,313 in 2016-17. This represents a minor increase of £26,188 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	
Management Costs	(£26,000)	<ul style="list-style-type: none"> Savings in employee costs are expected due to vacant posts. The hosting of a tenant and leaseholder conference has been deferred to 2017-18 whilst the optimum format for the event is considered. The expected costs will be factored into next year's budgets. The 2016-17 budget is therefore reported as a saving.
Housing Customers	£29,500	<ul style="list-style-type: none"> Additional employee costs have been incurred in respect of covering long term sickness.
Capital Charges	£76,688	<ul style="list-style-type: none"> Depreciation charges are higher than budgeted due to a rise in the valuation of certain components 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
Housing Assets	(£39,000)	<ul style="list-style-type: none"> Additional employee costs are forecast in respect of the agency cover of vacant posts. However, these costs are offset by a forecast variance in the appointment of external consultants.

		A £100,000 budget was set aside for a review of operating models in respect of this service, but it is anticipated that £75,000 will need to be deferred into 2017-18 as the review is expected to commence in January '17. For these reasons Executive approval will be sought to carry forward the budget.
Rents	(£15,000)	A lower level of voids in respect of garages is expected to result in additional rental income and a reduction in the waiting list
Total budget variances	£26,188	
Projected HRA deficit	£168,313	Transfer from 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 deficit for 2016/17	(£168,313)
Balance resolved to be retained (HRA contingency)	(£4,000,000)
Balance Available, as at 31/3/17	£2,900,357

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 approved by Council on 23 February 2016. Since that meeting the following changes have been made that have increased the programme.

Description	2016/17	Approval / Funding
HRA Capital Programme	£16,117,602	
Budgets carried forward from 2015/16 HRA Capital Programme	£1,074,678 £1,026,767	Executive 12 April 2016 Executive 12 July 2016
Budgets deferred to future financial years	(£1,289,228)	Executive 12 April and 12 July 2016
Revised HRA Capital Programme	£16,929,819	

8.5 Performance

The current HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend of £14,504,544 compared to the £16,929,819 approved programme, a decrease of £2,425,275.

8.6 Capital Budget Variances

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

Scheme	Forecast Overspend / (Underspend)	Explanation
Other Works	£7,881	Additional health and safety measures at Faraday House including the provision of a roof guard-rail have resulted in a minor overspend against these two budget headings.
Faraday House Roof Replacement	£3,254	
Lift Replacement at 98 Sidwell Street	£7,000	Delays associated with undertaking leasehold flat consultation has required seeking revised quotations and a forecast overspend is reported due to contract price rises. Works are expected to start on site week commencing 15 th August.
Scheme	Budget to be deferred to 2017/18	Explanation
Energy Conservation	£20,000	A £20k contribution towards the placement of solar panels at the new Rennes House car park development will not be required until 2017/18 as it will form part of the later stages of the project.
Rennes House Structural Works	£400,000	Significant works are not expected to be undertaken until 2017/18 whilst consultants carryout an options appraisal including potential grant funding for energy conservation measures.
Common Area Footpath/Wall Improvements	£1,300,000	Surveys of 2/3rds of HRA footpaths and walls have been completed to date and works identified for 2016/17 total £944,050. The remaining budget will be deferred into 2017/18 until all the surveys have been completed and the full extent of improvement works have

		been established. A budgetary risk has been highlighted due to the uncertainty of outstanding survey results.
Electrical Re-wiring	£590,000	The contract for programmed electrical testing and remedial works commenced from 1 st August with slippage of £300k into 2017/18 forecast. Further slippage of £290k is expected in respect of electrical repairs to communal areas whilst capacity of the in-house electricians is reviewed.
COB Wave 2 – Rennes House car park	£33,410	The budget for the development of this site has been re-profiled in accordance with the latest cash-flow projections. Minor slippage of the main scheme has occurred whilst ancillary works to install a new substation were completed. The next key stage is the demolition of the existing car park which is schedule for mid-August.
Acquisition of Social Housing	£100,000	The acquisition of 3 new affordable housing units are expected to complete this financial year. Further spend of this budget is pending Section 106 negotiations and slippage into 2017/18 is expected.

9. COUNCIL OWN BUILD BUDGET MONITORING TO 30 JUNE 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

There are no projected variances to report, as at June. The budgeted net surplus of £38,020 is still projected to be achieved during 2016-17.

MU Code	Management Unit	Budget Variance Overspend / (Underspend)	Explanation
85B5	COB	£0	There are no significant variances from budget to report at this stage. However, 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.
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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 June.

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

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.
Common Area Footpath/Wall Improvements	£2,244,050 (capital)	Works identified to date total £944,050, leaving an uncommitted balance of £1.3m in 2016/17. Until all HRA footpaths and walls have been surveyed, the full extent of works is not known. However, based upon survey results to date, it appears that a potential underspend may occur. Actual expenditure is also dependent on favourable ground conditions and could be delayed in the event of water saturation.
Re-roofing Works Shilhay	£660,000 (capital)	This property is located within a conservation area and will require liaison with the planners in respect of the new replacement roof. This may result in a delay on works starting on site.
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 JUNE 2016

ACTUAL TO DATE			YEAR END FORECAST			
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
169,105	140,142	(28,963)	85A1	1,161,560	(26,000)	1,135,560
285,154	268,030	(17,124)	85A2	1,273,940	29,500	1,303,440
74,106	37,080	(37,026)	85A3	375,870	0	375,870
1,408,203	1,098,833	(309,370)	85A4	6,112,390	0	6,112,390
0	0	0	85A5	4,689,075	0	4,689,075
2,656,950	2,733,638	76,688	85A6	2,656,950	76,688	2,733,638
319,212	251,757	(67,455)	85A7	1,521,790	(39,000)	1,482,790
(4,916,460)	(4,804,454)	112,006	85A8	(19,563,510)	(15,000)	(19,578,510)
0	0	0	85B2	1,914,060	0	1,914,060
			85B4	(142,125)	(26,188)	(168,313)
			Net Expenditure	0	0	0
			Working Balance 1 April 2016	7,068,670	31 March 2017	6,900,357

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COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	CURRENT OUTTURN FORECAST	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
(2,371)	(3,018)	(647)	H006	(7,700)	0	(7,700)
(13,729)	(14,473)	(744)	H007	(49,290)	0	(49,290)
0	0	0	H008	6,890	0	6,890
12,080	11,865	(215)	H009	12,080	0	12,080
			H010	38,020	0	38,020
			Net Expenditure	0	0	0
			Working Balance 1 April 2016	169,043	31 March 2017	207,063

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2016-17 £	2017-18 £	2018-19 £	2019-20 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Usable Receipts Brought Forward					2,898,176
Major Repairs Reserve Brought Forward					6,310,319
Other HRA Sales	0	0	0	0	0
RTB sales	750,000	500,000	500,000	500,000	2,250,000
Major Repairs Reserve	2,733,638	2,733,638	2,733,638	2,733,638	10,934,552
Revenue Contributions to Capital	4,689,075	6,496,642	4,496,555	2,500,000	18,182,272
External contributions	199,618	275,134	0	0	474,752
HCA funding	705,000	705,000	0	0	1,410,000
Commuted sums	3,589,118	2,827,014	159,883	0	6,576,015
Total Resources available	12,666,449	13,537,428	7,890,076	5,733,638	49,036,086
CAPITAL PROGRAMME					
HRA Capital Programme	16,929,819	17,166,222	7,897,964	5,362,221	47,356,226
June - Overspends / (Savings)	18,135				18,135
June - Slippage / Re-profiling	(2,443,410)	2,443,410			0
Total Housing Revenue Account	14,504,544	19,609,632	7,897,964	5,362,221	47,374,361
UNCOMMITTED CAPITAL RESOURCES:					
Usable Receipts Brought Forward	2,898,176	3,148,176	560,492	60,492	2,898,176
Major Repairs Reserve Brought Forward	6,310,319	4,222,224	737,704	1,229,816	6,310,319
Resources in Year	12,666,449	13,537,428	7,890,076	5,733,638	39,827,591
Less Estimated Spend	(14,504,544)	(19,609,632)	(7,897,964)	(5,362,221)	(47,374,361)
Uncommitted Capital Resources	7,370,400	1,298,196	1,290,308	1,661,725	1,661,725
WORKING BALANCE RESOURCES:					
Balance Brought Forward	7,068,670	6,900,357	4,945,307	4,588,042	7,068,670
HRA Balance Transfer - Surplus/(Deficit)	(142,125)	(1,880,050)	(357,265)	1,101,875	(1,277,565)
June forecast overspend	(26,188)				(26,188)
Supplementary budget		(75,000)			(75,000)
Balance Carried Forward	6,900,357	4,945,307	4,588,042	5,689,917	5,689,917
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
	2,900,357	945,307	588,042	1,689,917	1,689,917
TOTAL AVAILABLE CAPITAL RESOURCES	10,270,757	2,243,503	1,878,350	3,351,642	3,351,642

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APPENDIX 4

**2016-17
CAPITAL MONITORING TO 30 JUNE 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	135,301	450,000		0
Z4402	Rendering of Council Dwellings	19,390	0	19,390		0
Z4703	Environmental Improvements - General	30,000	80	30,000		0
Z4705	Programmed Re-roofing	136,500	0	136,500		0
Z4709	Energy Conservation	106,000	0	86,000	20,000	0
Z4718	LAINGS Refurbishments	1,219,300	8,605	1,219,300		0
Z4719	Kitchen Replacement Programme	348,610	53,568	348,610		0
Z4724	Bathroom Replacements Programme	308,280	55,194	308,280		0
Z4740	Other Works	16,070	23,951	23,951		7,881
Z4742	Fire Precautionary Works to Flats	250,000	49,347	250,000		0
Z4743	Communal Areas	48,820	0	48,820		0
Z4745	Structural Repairs	55,000	0	55,000		0
Z4755	Rennes House Structural Works	529,090	13,238	129,090	400,000	0
Z4758	Common Area Footpath/Wall Improvements	2,244,050	87,156	944,050	1,300,000	0
Z4760	Lift Replacement 98 Sidwell Street	56,000	18,933	63,000		7,000
Z4763	Soil Vent Pipe Replacement	25,000	0	25,000		0
Z4764	Electrical Central Heating	18,750	0	18,750		0
Z4767	Faraday House Roof Replacement	3,770	7,024	7,024		3,254
Z4802	Electrical Re-wiring	1,768,105	65,966	1,178,105	590,000	0
Z4901	Central Heating Programme	50,000	2,902	50,000		0
Z4903	Boiler Replacement Programme	145,090	30,044	145,090		0
Z4908	Fire Alarm - Russet House	30,000	0	30,000		0
Z4909	Fire Risk Assessment Works	60,000	0	60,000		0
Z4911	Whipton Barton House Water Mains	50,000	0	50,000		0
Z4914	Re-roofing Works Shilhay	660,000	0	660,000		0
Z4916	Replacement Housing Management System	125,000	0	125,000		0
HOUSING REVENUE ACCOUNT TOTAL		8,752,825	551,309	6,460,960	2,310,000	18,135
COUNCIL OWN BUILD CAPITAL						
Z3214	COB Wave 2 - Rennes Car Park	2,466,064	79,974	2,432,654	33,410	0
Z3220	St Loyes ExtraCare	4,294,120	149,273	4,294,120		0
Z4751	Acquisition of Social Housing - Section 106	416,810	0	316,810	100,000	0
Z3201	Acquisition of Social Housing - Open Market	1,000,000	0	1,000,000		0
COUNCIL OWN BUILD TOTAL		8,176,994	229,247	8,043,584	133,410	0
OVERALL HOUSING REVENUE ACCOUNT TOTAL		16,929,819	780,556	14,504,544	2,443,410	18,135

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REPORT TO: PEOPLE SCRUTINY COMMITTEE
Date of Meeting: 1 SEPTEMBER 2016
Report of: Assistant Director Finance
Title: Budget Monitoring Report to 30 June 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

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 30 June 2016

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will increase from the approved budget by a total of £19,000 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 0.56%

from the revised budget. This includes a supplementary budget of £130,000 already agreed by Council.

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

9. Capital Budget Monitoring to 30 June 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, was last reported to Corporate Services Scrutiny Committee on 29 June 2016. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 29 June 2016	1,142,210	
Disabled Facilities Grants	292,330	Additional funding awarded from the Better Care Fund
Revised Capital Programme	1,434,540	

9.2 Performance

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £223,922 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

No significant amounts have been identified as being wholly or partly deferred to 2017/18 and beyond.

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?

An action plan addressing the key areas of budgetary risks within People Scrutiny Committee will be included if and when they arise.

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

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PEOPLE SCRUTINY COMMITTEE
BUDGET MONITORING

APRIL 2016 TO JUNE 2016

ACTUAL TO DATE				YEAR END FORECAST		
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	CODE	APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE
£	£	£		£	£	£
265,230	229,530	(35,700)	81C2	1,269,010	1,288,010	19,000
69,780	66,220	(3,560)	81C3	157,050	157,050	0
20,540	21,930	1,390	81C4	136,640	136,640	0
86,490	86,490	0	81C5	86,490	86,490	0
29,240	12,840	(16,400)	81E1	138,110	138,110	0
406,430	432,036	25,606	86A1	1,632,870	1,632,870	0
471,280	417,010	(54,270)	NET EXPENDITURE	3,420,170	3,439,170	19,000

TRANSFERS TO / (FROM) EARMARKED RESERVES

OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	3,439,170
REVISED BUDGETS	3,420,170
ADJUSTED OUTTURN VARIANCE	19,000

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CAPITAL MONITORING TO 30 JUNE 2016

	2016/17 Capital Programme	2016/17 Spend to 30 June	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	174,965	664,290		
Warm Up Exeter/PLEA Scheme	163,650	6,621	163,650		
Wessex Loan Scheme	112,260	42,337	112,260		
WHIL Empty Properties	189,000	0	189,000		
The Haven	5,340	0	5,340		
Temporary Accommodation Purchase	300,000	0	300,000		
PEOPLE TOTAL	1,434,540	223,922	1,434,540	0	0

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REPORT TO: PEOPLE SCRUTINY COMMITTEE & EXECUTIVE

Date of Meeting: 1 SEPTEMBER 2016 & 13 SEPTEMBER 2016

Report of: Assistant Director Customer Access

Title: Review of Extended Opening in the Customer Service Centre

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

This report is a review of extended opening on Mondays and Thursdays in the Customer Service Centre and Call Centre.

2. Recommendations:

That Executive considers for the efficiency of the service, the amendment of opening hours to 9am to 5pm Monday to Friday from 31 October 2016.

3. Reasons for the recommendation:

Data collected on footfall and telephones shows that demand between 5pm and 6pm is very small in relation to the minimum number of staff required to keep the Centre open for this extended time. Officers' view is that resources could be used more efficiently to protect and increase the Council's income by Customer Service Officers (CSOs) doing case working, pursuing debt owed to the Council, processing council tax changes and reviews of discounts and exemptions.

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

There are no resource implications.

5. Section 151 Officer comments:

There are no financial implications contained in the report.

6. What are the legal aspects?

There are no legal aspects to consider

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 On average, CSOs assist 2 customers in the Customer Service Centre, and deal with 13 telephone enquiries through the Corporate Call centre between 5:00-6:00pm. These figures cover the period 1st July 2015 to 30th June 2016.
- 8.2 Each extended opening requires 3 CSOs to be present in the Customer Service Centre, 1 Security & Assistance Officer, 1 Manager/Team Leader, 2 Customer Support Officers in the Call Centre and 4 'on Pull' staff to be available across the specialist technical areas of Housing Benefit, Local Welfare Support, Council Tax Billing, Payment and Collections and Housing Advice. This represents a total of 11 hours of staff time.
- 8.3 On average, Customer Support Officers spend a total of 54 minutes face to face and 35 minutes on the phone during each extended opening period. That is a total of 1 hour 29 minutes spent serving customers, compared to 11 hours of staff time to run the service.
- 8.4 Over the last 12 months (97 5pm-6pm periods), there have been 27 occasions where no customers have come in during extended hours (28%), and 29 occasions where only 1 customer has come in (30%). So in 58% of extended hours shifts, we have served 1 customer or less face to face.
- 8.5 Of the 1,845 presentations to Housing Options in the last 12 months, none have been on Mondays or Thursdays between 5pm and 6pm, and only 69 (4%) have been after 4pm on any day.
- 8.6 As no other service outside of the 'Help me with my financial/housing problem' system is required to provide cover for extended opening, Customer Support Officers can find themselves unable to deal fully with enquiries they receive in the Customer Service Centre or through switchboard calls, which can cause frustration for customers who believe that the whole Council is open between 5pm to 6pm on these occasions..
- 8.7 Closing at 5pm on Mondays and Thursdays would free up 2 hours per week of Security & Assistance Officer time, which could be better utilised during busy core opening hours as we are seeing customers with more challenging behaviour.
- 8.8 In our efforts to develop a more flexible workforce for the System, there is an on-going project to upskill frontline officers to be able to complete more enquiries at the first point of contact, and to service different types of demand across all the specialist sections that make up the 'Help me' system. Ending extended opening would free up staff time and allow the service to push forward with this project. The more skills staff have, the more they can be utilised to keep work up to date, which in turn helps to reduce failure demand as customers are not then contacting to chase progress on cases. Staff are also needed for pro-active work that either protects the Council's income or brings revenue into the Council, such as discount and exemption reviews or data matching to identify businesses that should be paying Business Rates.
- 8.9 Staff supporting the Customer Support Officers during extended opening could also use this time to be proactively contacting customers to address financial issues or completing other processing and case work.

- 8.10 For comparison, Torbay Council's call centre is open from 9am to 5pm Monday to Friday and its face to face service, soon to be solely based in Paignton, also has opening hours of 9am to 5pm. Plymouth City Council's call centre and 1 stop shop is open Monday to Saturday with closing varying between 5pm and 8pm. As Exeter City Council's extended opening on Mondays, Thursdays and Saturdays has not generated significant demand, this would not be a recommended model.

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

Customers have not taken up the opportunity to utilise the offer of 6pm opening and responding to this shows we are focusing on customers' needs. There are two aspects to how ending extended opening does this. Firstly, it means that Customer Support staff will be more likely to be available during times of higher demand. Secondly, using Customer Support staff to process work across the System moves us further away from traditional departmental approaches, which have prevented the system from working in a dynamic and flexible way.

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

The main risk is that a minimal number of customers will be unable to access the Council's services currently available during extended opening, perhaps because they are working from 9am to 5pm. However, previous extended hours check work highlighted that, in the majority of cases, customers who visit between 5pm and 6pm were able to access the service at another time during normal opening hours. For those customers who have an emergency query, they can still call on the emergency out of hours line. Therefore, the conclusion is that the risk is minimal.

It is also expected that there will be pro-active call outs to customers who are particularly vulnerable and have difficulty accessing our services, particularly if they are in debt with the Council.

There will also be press releases to advise the public of any change to opening hours as well as publicity on the Council's website, in the Citizen and in the Customer Service Centre.

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?

Since opening hours were first changed to include Saturday mornings, then Thursdays 5:00-7:00pm and finally to the current pattern, no significant benefit has been observed in any of these areas that would justify the use of staff and other resources. Therefore, it is expected that there will be no impact of this decision in these areas.

12. Are there any other options?

A number of options have already been trialled with similar outcomes in all cases. If opening hours were to remain the same the only other option, in terms of pushing forward with flexible ways of working and providing maximum cover in busier periods, would be to increase resources. However, this would not represent an efficient use of resources.

Bindu Arjoon
Assistant Director Customer Access

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

Background papers used in compiling this report:-

None

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