

CORPORATE SERVICES SCRUTINY COMMITTEE

Date: Wednesday 29 June 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 Sharon Sissons, Democratic Services Officer (Committees) on 01392 265115.

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

Membership -

Councillors Sheldon (Chair), Warwick (Deputy Chair), Ashwood, Baldwin, Hannan, Harvey, Holland, Lamb, Musgrave and Robson

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 of Scrutiny Committee Resources held on 16 March 2016.

3 Declarations 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 **Terms of Reference**

To review the implementation of the Council's existing policy and budget framework and consider the scope for new policies for the Council use and management of its resources and discharge of its corporate and strategic services, governance arrangements, business strategy, estate management, ICT, channel shift, communications, equalities and emergency planning.
To review the draft budgets of the Executive and the Council's and ensure the effective scrutiny of the Council's Treasury Management Strategy and policies.

The Portfolio Holders reporting to this Committee will be the Leader and the Portfolio Holder for Support Services although there may be overlapping in some areas of responsibilities.

PRESENTATION TO COMMITTEE

8 **Portfolio Holders' Statements**

A year end update on the work programme relevant to the portfolios for 2015/16 of Councillor R Edwards, Leader and Councillor O Pearson (Portfolio Holder for Support Services) will be presented. The priorities for 2016/17 will be tabled.

(Pages 5 -
12)

9 **Annual Scrutiny Report 2015/16**

To consider the report of the Corporate Manager Democratic/Civic Support.

(Pages 13
- 30)

ITEMS FOR CONSIDERATION BY THE EXECUTIVE

- 10 **Capital Monitoring 2016/17 and Revised Capital Programme for 2016/17 and Future Years**
- To consider the report of the Assistant Director Finance. (Pages 31 - 54)
- 11 **Overview of Revenue Budget**
- To consider the report of the Assistant Director Finance. (Pages 55 - 76)
- 12 **Treasury Management 2015/16**
- To consider the report of the Assistant Director Finance. (Pages 77 - 84)

ITEMS FOR DISCUSSION

- 13 **Budget Monitoring (Final Accounts)**
- To consider the report of the Assistant Director Finance. (Pages 85 - 90)
- 14 **Members Allowances Paid 2015/16**
- To consider the report of the Corporate Manager Democratic & Civic Support. (Pages 91 - 94)

Date of Next Meeting

The next scheduled meeting of the Corporate Services Scrutiny Committee will be held on **Thursday** 29 September 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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CORPORATE SERVICES SCRUTINY COMMITTEE

29 June 2016

Portfolio Holder Priorities 2015/16 – Year end report

End of year updates against priorities for all Portfolio Holders are included within this report.

Members will note that some Portfolio Holders report to a different scrutiny committee and are unable to take questions at all committees.

2015/16 Portfolio Holder for Enabling Services: Councillor Ollie Pearson

	Priority	Update
1	Improve procurement arrangements	The review has been expanded to look at contract management arrangements as well as procurement. This has delayed the report, which is expected to be delivered in June 2016 to officers before options are presented to Members.
2	Maximise income opportunities from the Civic Centre and Guildhall	Work is continuing to maximise revenue opportunities from the rental of spare accommodation with the Civic Centre with a number of organisations currently showing an interest. Prices for the hire of the Guildhall have been increased to bring them in line with the market place.
3	Enable customers to self-serve via digital services	The Digital Platform was finally procured in May. The Council and Strata are meeting the suppliers in June to develop the project plan for implementation. Work has commenced with services on redesigning processes for roll out
4	Progress the development agreement for the Princesshay Leisure scheme at the Bus and Coach Station site	Development Agreement close to completion. Outline Planning application approved subject to S106. New bus depot at Matford under construction. Planning application in for former bus depot site student scheme prior to site disposal. Bus station design being worked up in advance of June public consultation.
5	Implement the recommendations in relation to the ward boundary changes for Exeter	Successful all-out elections were held in May 2015 based on the new electoral wards.
6	Prepare a Corporate Asset Management Plan	Progress has been delayed by Bus and Coach Station project and Corporate Property restructure
7	Deliver a robust health and safety compliance regime for corporate property	Corporate Property restructure now in place and resource has been employed to develop and implement the overarching compliance

	Priority	Update
		strategy and day to day practice to effectively manage health and safety risk.
8	Roll out the Renewables Investment Programme	Final works at the Livestock Centre, following the installation of the 1.5MW array will enable ECC to supply energy to all 13 leaseholders within the building. The total PV estate installed to date exceeds 2MW, and together with energy saving works completed, a 40% reduction in consumption is expected. An appraisal of the current energy market and available technologies, to form new action plan for future projects/Energy Strategy, is underway.
9	Progress the Council's aim to be an energy-neutral Council	LED lighting installation completed in Civic Centre, progressing to car-park and other Council buildings in 2016 and 2017. More efficient gas boiler has replaced oil-fired boilers at Civic Centre. PV array installations at multi-storey car parks and Matford completed at year end.
10	Produce a plan to get residents registered on the electoral roll	An on-going campaign is held to increase voter registration which includes continual canvassing, targeted advertising in key areas and to coincide with key dates in the election timetable.

2015/16 Portfolio Holder for Economy and Culture: Councillor Rosie Denham

	Priority	Update
1	Enhance the knowledge economy with particular emphasis on the Innovation Exeter initiative to raise the profile of the area for inward investment and to address skills development	Programme of activities progressing:- specialist advice and discussions with partners have identified that the objective should be "to establish Greater Exeter as an internationally recognised knowledge economy, foremost in the areas of high performance computing, data analytics and applied environmental science, most importantly to raise both skills and income levels for the benefit of residents and businesses across the area." Examples of projects include establishing a "skills escalator" providing a route through different levels of education and training enabling individuals to gain or improve upon their skills starting at school progressing up to post graduate level, upskilling the workforce and to provide potential employees for new or growing organisations; a new Centre for Data Science at the University to promote the development of expertise in data analytics; establishing a collaboration facility for businesses to work with MET office climate data and expertise; reviewing specialist business

	Priority	Update
		start-up and growth support and access to finance with a view to scaling this up to increase business formation and growth.
2	Deliver a successful Rugby World Cup 2015	Completed
3	Procure an operator for the new leisure complex	Project plan in place. Competitive dialogue selected as the optimal procurement route. Risk register in place. Key external resources providing legal and consultancy support are now in place. IT resource (procurement portal with data room) currently being sourced. A soft marketing exercise has been conducted which has seen a high level of interest and participation from all the UK's leading leisure operators. Energy audit at Riverside Leisure centre has been commissioned, with the other sites within the portfolio to follow. The tender pack is being prepared, with a current focus on the PQQ in the context of the 2015 Public contract regulations.
4	Work with the Business Improvement District (BID) Board to progress the City Centre Strategy	Meeting to take place with Exeter BID first week in June 2016 to determine which actions Exeter BID will take forward and ownership of. General update on the City Centre Strategy will be taken to Place Scrutiny Committee September 2016.
5	Review the way we deliver and fund tourism activities in the future	The pressure to find other organisations to share the tourism facilities has reduced. However in May 2016 the BID ambassadors will be using EVIT as a base for their operations, this has generated some additional income. The service has recently taking over the banner bookings within the city centre, a more commercial approach to this operation is in place therefore generating more income. At all centres the staff strive to increase income either through running special events, increasing the amount of tickets sold. The new Custom House facility has been a resounding success, attracting more visitors and generating more income, in addition to normal retail income, income has been gained through expanded ticket sales, commission from art sales and rental income from functions. The staff at the Custom House have also been responsible for the bookings of the public spaces on the Quay and Haven Banks, which has benefited the economy of the whole area.
6	Look at alternative governance arrangements of the RAMM	Report has been circulated to key Members and Senior Officers and meetings held to consider significant issues and map process for taking forward, which it was agreed would resume post Election.

	Priority	Update
7	Adopt a new Parking Strategy and develop the Parking Action Plan	Strategy and action plan adopted in March 2016
8	Develop a new Waterways Partnership for Exeter to steer the future of Exeter's waterways	The need for a Waterways Partnership was surpassed by the need to establish a Port User Group to achieve compliance with the Port Marine Safety Code and to enable the Harbour Authority to make Harbour Directions. This is in its early stages of formation. The Waterways Partnership has become an informal Advisory Board for the Council to inform its strategic direction on the future management of the Canal and River
9	Progress Exeter City Futures work with Andromeda and key partners	Community Interest Company now set up and ECC are a member with Cllr Denham as the appointed Director on the board. Pilot Active Transport programmes are in the early planning stage alongside intensive stakeholder engagement. Community engagement has been recognised as a weakness and will be approached with a social media campaign in June 2016. The buy in of the local residents is essential to this programme's success and longevity. The themes of work for ECF remain Transport, Energy and Health.

2015/16 Portfolio Holder for City Development: Councillor Rachel Sutton

	Priority	Update
1	Continue to work towards low carbon initiatives including district heating schemes at Monkerton, City Centre and SW Exeter and sustainable travel proposals including railway station provision and improvements, park and ride and delivery of footpath/cycle networks	District heating scheme at Monkerton has now commenced. Procurement is being investigated for city centre feasibility is being researched for SW Exeter. New railway station has opened at Newcourt and a further station is underway at Marsh Barton. DCC planning application for Ide Park and Ride.
2	Submit a Development Delivery Plan to the government and start work on a longer-term planning and infrastructure strategy for Greater Exeter	Submission of Development Delivert DPD delayed for the result of the Exeter Road planning appeal. Implications of the appeal decision are being considered. Informal discussions have commenced with the local authorities in the Exeter Housing Market Area regarding a new joint strategic plan to 2040.
3	Negotiate local labour/contractor agreements as part of new planning commitments	The council can only seek to negotiate agreements due to lack of a policy basis in the development plan. Progress has been limited due to other priorities that are also sought through negotiations.
4	Progress delivery of IKEA,	IKEA is engaged in discharge of planning

	Priority	Update
	Princesshay Leisure and the leisure complex and address issue posed by retail proposals in the Honiton Road corridor and at M5 Junction 27	conditions and preparation of detailed designs to enable it to be in a position to start on site late in 2016. Resolution to approve Princesshay Leisure scheme, S106 being finalised. Moor Exchange appeal defended, B & Q scheme withdrawn. Mid Devon District Council has not yet made a final decision on whether to promote J27 through its local plan.
5	Ensure council consents are in place to deliver the Exe Flood Prevention Scheme	Full planning permission has been granted and no further council consents are required.
6	Work with the University of Exeter to provide appropriate student accommodation	Reports have been submitted to Planning Member Working Group and Task and Finish Groups. Schemes have been considered on a number of sites and the University is being encouraged to increase provision at Streatham Campus.
7	Establish the business case for the creation of a new Housing Development Company	Arcadis have prepared a draft scope of services for preparing a business case for a new wholly owned housing company. Fee proposal awaited.
8	Support the Exeter Community Forum in the development of a Community Strategy to inform future spending for New Homes Bonus and Community Infrastructure Levy	The Community Strategy was completed earlier this year and adopted by the Council on the 19 April 2016. Proposals for the Grants Panel Terms of Reference (to allocate funding from the Neighbourhood proportion of CIL and New Homes Bonus funding) will be going through People Scrutiny and Exec/Council June and July. The CIL/NHB funding will be open for applications from September with plans for the first Grants panel meeting to take place in November.

2015/16 Portfolio Holder for Housing Revenue Account: Councillor Rob Hannaford

	Priority	Update
1	Agree a new Housing Strategy 2015-2020	A new Housing Strategy has been agreed by full Council.
2	Improve standards in our social housing stock	The future capital programme continues to provide for investment to improve the standards of our social housing stock.
3	Improve the management of our housing assets and achieve greater value for money from housing contracts	Proposals for improving our housing asset & contract management functions will be reported to Members for consideration in the near future.
4	Examine alternative options for communicating with and engaging council tenants	We continue to work closely with the Performance Scrutiny Partnership to look at additional mechanisms for resident

	Priority	Update
		engagement and discussions are ongoing.
5	Review the way we deal with reactive repairs	An interim manager has been appointed to review the effectiveness of our reactive repairs function and proposals will be brought forward shortly.

2015/16 Portfolio Holder for Health and Place: Councillor Keith Owen

	Priority	Update
1	Address antisocial behaviour by introducing a Public Spaces Protection Order (PSPO)	Extensive public consultation was completed at the end of February 2016 with a report going to Council on 26 July 2016.
2	Increase the recycling rate from 34% to 35% and increase year on year	It is thought that the target 1% uplift in recycling rate will be very difficult to achieve due to a combination of factors that have unfavourably impacted upon the recycling calculation formula, namely increased tonnages from litter bins and street sweepings (residual waste), decreased tonnages in leaf sweepings and garden waste output (counted as recycling), and excluded data on community-based recycling schemes. Unfortunately, these abnormalities to trend equate to a 1% reduction in recycling rate. However, preliminary data analysis is indicating a recycling rate of 35%, but this needs to be externally validated by the Disposal Authority (Devon County Council), which will be completed and published on June 29th.
3	Improve cleansing of the city centre and implement new ways of keeping the city looking good	A 3-year SLA is in place for Exeter BID to fund an additional operative and vehicle to provide additional rapid response, deep cleaning and pavement scrubbing of public spaces within the BID area except for the private shopping centres of Guildhall and Princesshay. In addition, further work is ongoing on mechanisation, improved targeting of resources and demand management.
4	Work with Devon County Council to tackle the issue of weeds and highway verges	Completed.
5	Review management of the Exe Estuary Harbour	The focus for this year is achieving compliance with the Port Marine Safety Code
6	Support Exwick Sports Hub by transferring the playing fields to Exeter College	Heads of Terms have been agreed with the College to grant a long lease of the Exwick and Flowerpots fields subject to Executive approval. This should facilitate the development of the Sports Hub while preserving public access

7	Renew the Gambling Policy	New and improved policy has now been approved by Council and implemented.
8	Reduce the carbon footprint of our vehicles by 3%	Fuel reduction programmes, driver behaviour programmes, refuse rounds optimisation and electrifying fleet have assisted the drive for carbon neutrality with a 7% reduction in fuel use for our Waste Operations (this represents 14,000 litres of diesel fuel saved) and a 4% reduction overall.
9	Consider an evening trade waste collection service	In partnership with BID, a survey of all BID members was conducted in January 2016 to ascertain the viability of such a service for the City Centre. Results from this survey indicate an appetite for an evening collection, but further work will be needed to craft an appealing service offering. BID has also indicated that a BID-wide collection of cardboard is being developed for tender, and that an evening collection is likely to be the preferred option.

2015/16 Portfolio Holder for Customer Access: Councillor Emma Morse

	Priority	Update
1	Publish a Homelessness Strategy to ensure efficient and effective management of homelessness	The Strategy has been developed and has commenced the committee approval process for agreement by Council. An action plan has been developed to ensure delivery of the intended outcomes of the Strategy.
2	Work with partners to deliver joint programmes, including Targeted Families, Integrated Care Exeter and Exeter Community Hub	The Council's involvement with Integrated Care Exeter (ICE) has now led to development of a work stream related to Street Homeless and Vulnerably housed customers. This also involved working alongside Exeter CVS and other partners on the development of the offer at Wat Tyler Hub-CoLab.
3	Introduce further initiatives to improve standards in the private rented sector	Work has continued in partnership with the multi-agency Private Rented Forum in addition to more formal interventions via the Council's licensing and enforcement regimes. Funding has been awarded by an energy company to fund the installation of gas central heating for the first time, as well as the provision of a gas supply. This is being actively promoted to landlords and tenants through the Cosy Devon Scheme
4	Prepare for further changes to local welfare including the Local Council Tax Scheme	Devon Steering Group in May voted to change the CTS scheme for 2017-18 throughout Devon to mirror technical changes that have occurred in Housing Benefit, and to introduce

	Priority	Update
		a minimum income floor (MIF) which is a concept introduced in Universal Credit. Consultation on this proposal will start at the end of June, led by Devon CC. Results will be reported to People Scrutiny and Executive in November.
5	Help customers with their financial challenges by continuing to work with Job Centre Plus (JCP), providing money management and debt advice and facilitating a Credit Union	The local delivery partnership agreement with JCP regarding Universal Credit has been re-negotiated for a further year to 31 March 2017. The assistance provided by us through this agreement remains the same. The Money Advice Service is being withdrawn by Government therefore we have lost further funding. CAB have appealed. Through the support of the local welfare support scheme, EMAP will continue to March 2017, but if it is to continue beyond that date, funding will need to be found. Only Plough & Share Credit Union submitted a tender and that is currently being evaluated.
6	Revise the Council's policy for the allocation of social housing	The revision to the Policy has been agreed and the revised policy will be implemented this Summer.
7	Work with partners to tackle rough sleeping, within current resources	This area has been addressed in the Homelessness Strategy as well as the ICE work stream which includes a focus on 'Making Every Adult Matter' which focuses on the most vulnerable Rough Sleepers.

REPORT TO: PEOPLE SCRUTINY, PLACE SCRUTINY, CORPORATE SERVICES
SCRUTINY AND EXECUTIVE
Date of Meetings: 2nd June, 9th June and 29th June 2016 and 12th July
Report of: The Scrutiny Programme Officer,
Democratic Services and Civic Support
Title: Annual Scrutiny Review Report 2015/2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To provide an annual update to the respective Scrutiny Committees as to the Scrutiny work achieved during the municipal year 2015/2016.

2. Recommendations:

The Annual Scrutiny Report 2015/2016 is acknowledged and approved.

3. Reasons for the recommendations:

- a) To track the progress of the Scrutiny function and process at Exeter City Council.
- b) In order that Members may comment as to the progress and direction of Scrutiny over the past year, together with proposals for the forthcoming year.
- c) To ensure that the Scrutiny Committees are kept fully up to date as to the Task and Finish Groups and what they have achieved.
- d) To illustrate how effectively Scrutiny continues to work at Exeter City Council contributing towards an accountable, transparent and democratic process.
- e) To acknowledge the results achieved through Scrutiny during the municipal year 2015/2016.
- f) To raise the profile of Scrutiny at Exeter City Council and to promote confidence in the democratic process.

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

None.

5. Section 151 Officer comments:

There are no financial implications contained in this report

6. What are the legal aspects?

None identified.

7. Monitoring officer Comments

This report raises no issue of concern to the Monitoring Officer.

8. Report Details:

This report concentrates on providing Members with an overview of the work and achievements of Scrutiny over the past municipal year together with the proposed direction of Scrutiny for the forthcoming year.

The detail of this report appears in the attached Appendix and can be divided into eight main areas:-

- The Scrutiny Work Programme
- Task and Finish Group priority topics
- Follow up on previous Task and Finish Group recommendations
- Summary of Task and Finish Group work
- Training and profile
- Current improvements
- Future improvements
- Timetable for the forthcoming municipal year

Through the Annual Scrutiny Work Programme Meeting in June 2015, Members identified priority topics for Task and Finish Group investigation as follows:-

- Homelessness
- The University and its impact on the City
- Equality and Diversity
- Empty Commercial Properties
- Growth and Marketing Exeter
- Water Ingress in Council Properties
- Parking Review

Topics identified as suitable for Member Briefings included:-

- Transport
- Rough Sleepers
- Universal Credit
- Integrated Care Exeter

In addition to this, updates tracking the progress of approved recommendations from previous Task and Finish Group were provided to the relevant Scrutiny Committees in respect of:-

- Income Generating Measures
- Cost of Living Forum
- Future of Exeter Quay
- Financial Reporting
- Council's Role in the Community and Tackling Isolation
- Social Media

The topics of training, profile, current improvements, future improvements and timetabling for the forthcoming year are also detailed within the Appendix accompanying this report.

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?

Not applicable.

**Anne-Marie Hawley : Scrutiny Programme Officer,
Democratic Services and Civic Support
Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report: None

Contact for enquiries : Anne-Marie Hawley
Phase I : Room 2.3
(01392) 265110

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ANNUAL SCRUTINY REPORT 2015/2016

APPENDIX

The Scrutiny Work Programme 2015/2016

The Annual Scrutiny Work Programme Meeting which took place on 9th June 2015 allowed Members to establish whether they were satisfied with the substance and direction of the proposed Scrutiny Work Programme for 2015/2016. All Members were invited to put forward their suggestions for Task and Finish Group topics prior to the meeting and those topics were prioritised taking into account the Council's current aims and objectives.

Topics identified which resulted in Member Briefings included:-

- Transport
- Rough Sleepers
- Universal Credit
- Integrated Care Exeter

Task and Finish Group Priority Topics

Were established as:-

- Homelessness
- The University and its impact on the City.
- Equality and Diversity
- Empty Commercial Properties
- Growth and Marketing Exeter
- Water Ingress in Council Properties
- Parking Review

Follow up on previous Task and Finish Group recommendations

It is essential that progress of approved recommendations is tracked and that the parent Scrutiny Committee receives periodic updates. During the 2015/2016 term, updates were provided in respect of:-

- Social Media
- Income Generating Measures
- Cost of Living Forum
- Future of Exeter Quay
- Financial Reporting
- Council's Role in the Community and Tackling Isolation

Summary of Task and Finish Group work 2015/2016

Homelessness (People Scrutiny Committee)

A combination of Members and Officers from both Exeter City Council and Teignbridge District Council formed the membership of this Group since the joint Homelessness Strategy 2016 to 2021 would set out how the two councils and their combined partners would work together to tackle homelessness over the next five years. Cllr Harvey was elected as Chair of the Group and both Councils maintained their own responsibility for reporting lines back to their respective Committees.

Group Objectives:-

- To help shape and form the new Homelessness Strategy and Action Plan.
- To identify and establish a list of other service providers within Exeter – who does what?
- To obtain views from key service providers which may help the Council to shape the new Homelessness Strategy and Action Plan.
- To establish what funds are available.

Group Recommendations:-

The Group submitted an interim report to Exeter City Council's Scrutiny Community Committee on the 10th November (Minute 53) with interim recommendations simplified under two separate headings:-

The proposed structure of the new Homelessness Strategy and Action Plan:-

- (i) To agree that the Homelessness Strategy should be developed across the Exeter and Teignbridge area to increase opportunities for local residents and reduce administrative burden on the services of developing two separate strategies for a combined service.
- (ii) To agree that the Homelessness Strategy should primarily adopt the four key common themes of:-
 - Health and Protection;
 - Money Matters and Money and Employment;
 - Access to Services;
 - Accommodation Options and Private Rented Accommodation
- (iii) That the Strategy should consider, amongst other responsibilities, how the Council should address homelessness in respect of ex-servicemen and women.

Proposed Action Plan:-

- Regular review of the Action Plan and review meetings with agencies for the purposes of monitoring the Plan and altering where necessary to reflect any new challenges.
- A cross boundary list of available resources including properties spanning both Exeter and Teignbridge areas should be prepared and circulated.

- Access to information on cross boundary areas to be made available by each Authority.
- Identifying larger empty properties and working towards bringing these properties back into use in the context of tackling homelessness.
- Better signposting when enquiries are received - one information registration form to be used by both Exeter and Teignbridge so that the individual only has to give details once and they are passed to the relevant Authority for action immediately.
- Mapping of services and agencies on an ongoing basis to avoid duplication of work and avoid wasting resources.
- Mapping out different pathways to help people with different needs so that they are assisted quickly and effectively.
- Staff training with particular emphasis on “soft assessment” skills. For example, specialist training in how best to speak with and to obtain relevant information from ex-servicemen and women generally and to evaluate what type of properties would or would not be suitable.
- Monitor the impact of welfare reform on homelessness to allow for schemes to be developed to prevent homelessness or respond quickly when households have been impacted.
- Create a credit card size contact information card which can be placed with various agencies (letting agents and hospitals for instance) which individuals can easily keep and refer to.
- Better website information which is easily accessible for individuals in relation to where and how they can access help.

A further interim report was submitted to Exeter City Council’s Scrutiny Community Committee on the 19th January 2016 by the Assistant Director, Customer Access and introduced by the Joint Housing Needs Lead Officer (Minute 3). The report put forward a draft Homelessness Strategy for Committee Members’ comments prior to the Consultation process with recommendations which were approved as follows:-

- To agree the content and aims of the draft Homelessness Strategy 2016 – 2021 as a draft for Consultation.
- To undertake a public consultation to gain feedback from stakeholders and other interested parties.

A further meeting of the Group was held on the 7th April 2016, specifically to consider the outcome of the Consultation. The Group’s comments will accompany a further report to the People Scrutiny Committee on the 2nd June 2016, Executive on the 14th June 2016 and Council on the 26th July 2016, asking for the revised final draft Homelessness Strategy and Action Plan to be approved for immediate implementation.

The University (Place Scrutiny and People Scrutiny Committees)

Cllr Brimble was elected Chair of this Group which met on several occasions between October 2015 and January 2016.

Group Objective:-

- To continue to develop and improve the positive relationship between the City and the University, for the good of both and the residents of Exeter, working towards promoting further growth within the City.

Given the broad remit of this subject, the Group settled upon focussed investigations concentrating upon the following areas:-

- a) Retaining graduates within the City.
- b) Anti-social behaviour and noise issues.
- c) Waste, recycling and littering.
- d) Parking (and the sustainability of the University's travel plan).
- e) Planning and Student Accommodation.
- f) Encouraging students to volunteer in the communities across the City.

Each topic was dealt with by way of a separate meeting to ensure dedicated discussion. Council officers with the relevant expertise were invited to attend together with a wide range of external guests such as the:-

- Employment Liaison Officer, Exeter University
- Innovation Centre Director
- Assistant Director, Marchmont Observatory, Exeter University
- Community Liaison Officer, Exeter University
- Student Opportunities Manager, Students' Guild
- Director of Estate Development, Exeter University
- Director of Membership Services and People Development, Exeter University
- Representative from the Exeter St James Forum
- Travel Plan Co-ordinator, Exeter University

Group Recommendations:-

At the time of drafting this report, the Group is due to submit its report to the People Scrutiny Committee on the 2nd June for comment and to the Place Scrutiny Committee on the 9th June setting out the following recommendations for consideration and approval:-

Topic 1: Retention of Graduates

The Council:-

- 1) Facilitates a meeting between the Federation of Small Businesses, the Chamber of Commerce, Exeter University and the Council's Economy Department to encourage a joint approach to retaining graduates in the City.

- 2) Shares the list of companies (particularly technology companies) with Exeter University to develop the aim mentioned in Recommendation 1.
- 3) Facilitates a networking event to encourage and support a good relationship between key organisations, businesses and Exeter University and Colleges.
- 4) Explores the opportunities available to support the Innovation Centre in increasing the number of start up weekends held and developing them into a regional network that involves Exeter residents.

Topic 2: Anti-social behaviour

The Council:-

- 5) Encourages the Students' Guild to expand the "big street party" event to cover different areas across the City.

Topic 3: Waste, recycling and littering

The Council:-

- 6) Explores the opportunities for sponsorship and provision of cardboard bottle carriers to student households which also advertise where recycling facilities are located.
- 7) Explores the possibility of a pilot scheme where temporary recycling facilities are situated in highly populated student areas at the end of term.
- 8) Enquire whether student wardens are able to support the educational work of the Council's Recycling Team in visiting student houses identified as a priority.
- 9) Encourage the students, with the support of the Students' Guild, to make a promotional, educational video on effective waste and recycling which other students can easily access on line.

Topic 4: Volunteering

The Council:-

- 10) Sponsors a student volunteering award to be presented at the Guildhall and publicised via the Exeter Citizen and Exepose publications.
- 11) Liaise with the Student Opportunities Manager (Students' Guild) to explore buddying community groups with student volunteers.
- 12) Encourages key organisations to highlight and publicise the good work that student volunteers already do for their organisations across Exeter.

Topic 5: Planning and Student Accommodation

The Council:-

- 13) Encourages and supports the Students' Guild to explore the possibility of Co-operative Housing.
- 14) Reviews the level of developers' contributions to infrastructure in respect of student accommodation, should an overall review of the Community Infrastructure Levy charging schedule be undertaken in future.
- 15) Positively highlight, through a timely press release, the management requirements that accompany planning approvals on Purpose Built Student Accommodation blocks (PBSA's); the Central Government funding that PBSA's bring to the City and the effect of students moving from Houses in Multiple Occupation (HMO's) to PBSA's.
- 16) Arrange for a Scrutiny Task and Finish Group to investigate the possibility of an HMO/landlord accreditation scheme, engaging with key partners to explore the possibilities and how the Council could support work which may already be underway.

Topic 6: Parking

The Council:-

- 17) Supports the University in developing their updated Sustainable Transport Strategy, ensuring, in so far as is possible, the involvement of both Exeter City Councillors and Officers.

Ancillary Work Arising from Group investigations:-

- Enquiries for comparative statistical information concerning graduate retention between Exeter and other similar cities resulted in an invitation from the Higher Education Statistics Agency to participate in the testing of their new University statistics system.
- The Group identified that the Students Guild were no longer receiving the weekly planning list. The Guild are now signed up to the Gov.delivery system which also includes other information relating to bins, waste and recycling; council tax and benefits; planning; community news and events; elections and the latest Council news.
- The Community Volunteering Co-ordinator, Students' Guild will provide a list of the different projects (including discipline linked) taking place by postcode to the Council's Community Involvement and Inclusion Officer so that Councillors can see what projects are taking place in their wards. The Guild will also liaise with the Council to write a short piece for the Exeter Citizen about student volunteering in the City and how charities can register as providers.
- Relevant officers from key organisations such as the Council and the University are due to meet to discuss communications and other issues particularly relating to waste, recycling and littering. It is hoped that a student focus group will be involved in any work which may be taken forward in future together with the University, the Guild, managing agents and resident associations using social media as a conduit.

Equality and Diversity (Corporate Services Scrutiny Committee)

The Council continues to place great emphasis on setting out its vision for Equality and Diversity and to reflect the values inspired by Exeter's communities.

Cllr George was elected as Chair of this Group and an initial overview of the current position was provided by the Policy Officer and the Human Resources Business Partner.

Group Objectives:-

- To help shape and form the new Equality and Diversity Policy and Action Plan.
- To obtain views from key organisations which may help the Council to shape the new Equality and Diversity Policy and Action Plan.

The Group had the benefit of reviewing three consecutive drafts of the Policy commenting that:-

- The policy should be about engagement of the Council externally and not just in relation to the workforce – a communities focussed policy.
- The policy needs to contain a vision statement (in the Council's capacity as an employer and deliverer of services) right at the beginning explaining:-
 - ✚ What the context of the policy is and why we are doing it.
 - ✚ That our aim is to represent, serve and provide services and employ people as equals with values inspired by our communities.
 - ✚ That no matter who you are or what your background is you will be treated equally.
 - ✚ Setting out the beliefs and values of the Council.
 - ✚ That the policy is about eliminating discrimination in Communities and also within the Council whilst advancing equalities and equal opportunities.
 - ✚ That values will provide a foundation for cohesive communities, strong communities and in order to achieve this we must make sure that any barriers are removed to opportunities and narrow the gap between communities.

It was acknowledged that in the future, Council policies and action plans which may be linked with the Equality and Diversity Policy will need reviewing and updating.

The work of this Group is ongoing and will abridge the Election period. The next steps will be to:-

- (a) Conduct a consultation during June 2016 to seek a wide range of views, comments and suggestions on the draft policy.
- (b) Share feedback with the Task and Finish Group and amend the draft policy if appropriate.
- (c) Submit a copy of the final draft policy for Committee approval.

Empty Commercial Properties (Place Scrutiny Committee)

Housing remains a key priority for the City and the focus of Objective 3 of the Council's Core Strategy is to provide decent homes for all. Under occupation of larger houses and vacant properties continues to present an ongoing challenge for the Council as well as the City overall in terms of maximising use of existing properties thereby creating more housing within the City.

The Group elected Cllr Raybould as Chair.

Group objectives:-

- To identify suitable empty commercial properties within the City which could be capable of conversion to residential premises.
- To encourage the owners of such properties to consider converting them into residential premises.
- To provide information to the owners as to outside organisations from which they could seek advice as to how to go about converting their properties to residential.
- To investigate whether our systems can be updated to generate a regular report identifying suitable properties so that regular enquiries can be made.

With assistance from the Economy Department, Business Rates, Housing Development, Property and the Planning Department, the Group were able to draw together a list of empty commercial properties which were likely to have the potential for residential use. In addition, all Members were asked to highlight any properties that they were aware of and a press release appealed to members of the public to do the same, so that the Group could consider responses in the overall context of a final list.

Growth and Marketing Exeter (Place Scrutiny Committee)

Cllr Lyons was elected as Chair of this Group, which abridged the Election 2015 period so that external guests could attend and contribute to the discussions before the Group finally settled on proposed recommendations. The Managing Director of a South African Company (which had recently re-located to Exeter) attended to speak about why his company chose Exeter. Members were able to ask questions and discover the positives, ie, what the Council was doing well to encourage businesses to re-locate to Exeter, as well as what the Council could be doing better.

A Reminder of the Group Objectives:-

- To identify the opportunities within the City which are not being progressed or not being progressed in the way they should be.
- To find out who our competitors are – what are they doing marketing wise and who are their partners?
- Draw comparisons with areas which have strong inward investment and marketing campaigns. What are other cities doing that Exeter is not?
- Identify ways in which the Council can persuade our neighbours, big stakeholders and businesses to contribute.

The Chair of the Group submitted a report to the Scrutiny Economy Committee on the 21st January 2016 whereupon the following recommendations were approved (Minute 10).

Group Recommendations:-

- (i) A review of the current staffing levels and budget available for the Economy and Tourism Department is undertaken by Senior Management in conjunction with the Economy and Tourism Team.
- (ii) A business case in respect of (i) is to be submitted to the Scrutiny Economy Committee for consideration.
- (iii) The sharing of Economic Development expertise between neighbouring local authorities across the wider areas of East Devon, Mid Devon and Teignbridge is formalised by way of an agreement.
- (iv) An Economic Development conference is held, led by Exeter City Council's Economic Development Team, also involving East Devon District Council, Mid Devon District Council and Teignbridge District Council, Exeter University and Exeter College to include combined presentations aimed specifically at new businesses.

Senior Management and the Economy and Tourism Team are due to report back to the Place Scrutiny Committee and Executive at the earliest opportunity in accordance with the approved recommendations.

Water Ingress in Council Properties
(People Scrutiny Committee)

This review followed on (independently) from the report of the Assistant Director, Housing which was submitted to Scrutiny Community Committee on the 9th September 2014 (Minute 44) and Executive (Minute 91) on the 16th September 2014. This report set out the impact that the extreme weather conditions over the winter of 2013/2014 had on some Council homes. The report also advised Members as to what work was required to tenanted and leasehold properties to make good the damage caused and identified how the work could be funded and the likely scale of resources required.

The Group were keen to review how the Council had handled this situation and whether any lessons could be learnt for the future. The Assistant Director, Housing and the Service Lead, Housing Customers were able to provide Members with an overview and answer questions.

The Group's findings were reported to the Scrutiny Community Committee on the 8th September 2015 (Minute 42).

The Group were particularly interested in answers to two issues:-

1. How many properties were affected and how many were dealt with under emergency provisions?
2. Was the process too drawn out?
3. It was established that the main factors for the time frame were:-
 - a significant spend was required which required Committee approval, hence the Water Ingress to Council Housing Stock report which had been submitted to the Scrutiny Community Committee on 9th September and Executive on 16th September 2014;
 - the process had to go out to tender because of the potential value of the contracts. This ensured compliance with the Law, Financial Regulations and the City Council policy;
 - the work had to be carried out at the best time so success and speed were both weather dependant; and
 - there was great demand for contractors and scaffolding at the time because others were also having the same problem.

In total 330 properties were affected and 49 were dealt with under the emergency provisions with the anticipated completion date for the work remaining on target for Autumn 2015.

The Group agreed that the Council and its officers had been reliable with the cost figures and the projected time frame; the work was well within the authorised spend and the advice and action taken by Officers was commended as the best. The Group were satisfied that the Council had not under delivered.

The Group reported their findings to the Scrutiny Community Committee on the 8th September 2015 (Minute 42).

Parking Review Spotlight Review (Place Scrutiny Committee)

This Group continues to monitor and review the work in progress having provided feedback this year on the consultant's report and the draft Strategy, contributing towards the final draft of the Parking Strategy, working closely with the Assistant Director, Public Realm and the Service Manager, Public Realm.

The Group met on the 15th July 2015, 29th September 2015 and the 1st February 2016, following which the Assistant Director, Public Realm introduced a report to the Scrutiny Economy Committee on the 3rd March 2016 which sought approval for the adoption of the new Parking Strategy for the period 2016 – 2026. The Strategy encompasses a new strategic approach to the parking services provided by the Council.

The Scrutiny Economy Committee (Minute 23) supported Executive endorsement of the Parking Strategy 2016 – 2026 welcoming a new strategic approach to the parking services provided by the Council, with a focus on four key objectives of economic growth, parking capacity, congestion and parking income.

This Group will continue post Election and their role will evolve to provide feedback as to the implementation of the various strands of the Strategy and to track progress, reporting directly to the Place Scrutiny Committee at regular intervals.

Training and Profile

- Scrutiny Induction Training for Members was carried out on the 9th June 2015. Feedback from those who attended as to the structure and content of training will be used to shape the training offered in 2016.
- Gloucester City Council Members have expressed an interest in visiting Exeter City Council to understand more about how our Scrutiny process works based on our positive reputation.
- Exeter City Council led and hosted a joint Authority Scrutiny Event which took place on the 16th July 2015 involving both Teignbridge District Council and East Devon District Council.

In addition to this Exeter City Council also hosted:-

- The Westminster Overview and Scrutiny Seminar on the 4th September 2015 from which it was interesting to discover that Westminster and Exeter approach scrutiny in a similar way operating a comparative process.
- The South West Council's Scrutiny Event on the 6th October 2015.
- The Association of Democratic Service Officers' Scrutiny Event in October 2015.

- Local Democracy Week – hosting a students’ debate session covering the topics:-
 - ✚ *Should Great Britain remain in the EU?*
 - ✚ *Should Exeter be one of the dispersal zones for refugees in the South West of England? If so, should there be a criteria to distinguish between economic migrants and those fleeing persecution or war or should assistance be given to all regardless of the reason?*
 - ✚ *Electoral Reform – Do you agree that the “first past the post” system is “bad for voters, bad for government and bad for democracy?”*
 - ✚ *E-voting –v- traditional voting – which is best and why?*
 - ✚ *Do we need the House of Lords? If so, in what format and in what capacity should they act?*

In 2016, it is intended that an entry for the Centre for Public Scrutiny “Good Scrutiny Awards” will be submitted reflecting the work of our Task and Finish Groups. The Awards are designed to recognise and celebrate the good scrutiny work which happens in public service across the country demonstrating transparency, accountability and inclusiveness in the public arena. This will provide a further opportunity for Exeter City Council to nationally show case our scrutiny work, demonstrating how an effective scrutiny process adds real value, attains tangible results and provides ongoing improvements and achievements in the level and quality of service we provide for the Citizens of Exeter.

Current Improvements

On the 9th February 2016 a report was submitted to the Executive (Minute 31) by the Corporate Manager Democratic and Civic Support, which set out the recent work and recommendations of the Review of the Constitution Working Group for consideration.

In direct relation to the scrutiny function and process, Executive supported the following proposed changes which Council approved on the 23rd February (Minute 10):-

- Three Scrutiny Committees to continue albeit with different responsibilities which are better aligned to the responsibilities of the Portfolio Holders;
- Each of the Scrutiny Committees to comprise of 10 members, with their meetings held on the first, second and fourth Thursdays of every other month;
- New Terms of Reference for each of these Scrutiny Committees which respectively will now be known as People Scrutiny Committee, Place Scrutiny Committee and the Corporate Services Scrutiny Committee;
- Revised call in arrangements where any seven Scrutiny members (irrespective of the Scrutiny Committee on which they serve) can trigger a call-in of an Executive decision (this is a change from the previous arrangement of any 5 members of a specific Scrutiny Committee being the trigger-factor);

- Executive to meet every second Tuesday of the month (bank holidays allowing) and to continue to comprise of 8 members. This will allow for a more regular and evenly spread cycle of Executive meetings, thereby minimising delays in decision making.

These improvements will ensure that the Council continues to work as efficiently as possible.

Future Improvements

Encouraging members of the public to become involved in the scrutiny process at Exeter City Council can only serve to diversify and improve the effectiveness of our scrutiny function.

At the Council meeting on the 23rd February 2016 (Minute 13), the Corporate Manager Demoratic and Civic Support was asked to draw together a report as to the practicalities of implementing the proposals set out below – the report to be brought to Executive at the earliest opportunity.

- Council Committee meetings and Full Council meetings to be held out of the Civic Centre and Guildhall on a rolling basis, giving a greater opportunity for Exeter residents to engage with the Council's decision-making processes;
- Web broadcasts of Full Council and all Council Committee meetings (where such meetings are held in The Guildhall and Civic Centre) be provided;
- Question Time to the Council Leader at the commencement of Full Council Meetings. This may or may not include questions written in advance.

Timetable for forthcoming municipal year:-

17/05/16	:	Annual Council meeting (Membership of Scrutiny Committees to be decided)
01/06/16	:	Scrutiny Induction training for Exeter Members
02/06/16	:	First People Scrutiny Committee Meeting
09/06/16	:	First Place Scrutiny Committee Meeting
22/06/16	:	First Audit and Governance Committee Meeting
29/06/16	:	First Corporate Services Scrutiny Committee Meeting
13/07/16	:	Annual Scrutiny Work Programme Meeting
26/07/16	:	Council meeting and confirmation of Task and Finish Group membership nominations
01/08/16	:	Commence with first tranche of Task and Finish Groups

Conclusion

This has been yet another busy year for scrutiny at Exeter City Council. We continue to promote pro-active scrutiny, encouraging more Members to become involved in issues and decisions at an early stage. Task and Finish Groups maintain a vital role in this respect providing Members with the opportunity to target and conduct more specific and tailored investigations into priority topics. Recommendations are made which focus on ways of improving the day to day workings of the Council, its policies and finding solutions to local issues. The approach taken is key to securing successful, tangible outcomes. Lateral thinking and retaining an objective perspective are essential components to good scrutiny, together with combining such elements as a multi organisational approach, utilising internal and external knowledge and expertise and engaging with individuals and agencies to gain a broad range of views.

At the conclusion of this municipal year, I would like to take this opportunity to thank the Members, Officers and guest speakers who have given up their time to participate specifically with Task and Finish Group investigations.

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Report To CORPORATE SERVICES SCRUTINY COMMITTEE,
EXECUTIVE AND COUNCIL

Date of Meeting: Corporate Services Scrutiny Committee – 29 June 2016
Executive – 12 July 2016
Council – 26 July 2016

Report of: Assistant Director Finance

Title: Capital Monitoring 2015/16 and Revised Capital Programme for 2016/17 and Future Years

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise members of the overall financial performance of the Council for the 2015/16 financial year, in respect of the annual capital programme.

To seek approval of the 2016/17 revised capital programme, including commitments carried forward from 2015/16.

2. Recommendations:

It is recommended that Corporate Services Scrutiny Committee notes and Council approves:

(i) The overall financial position for the 2015/16 annual capital programme.

(ii) The amendments and further funding request to the Council's annual capital programme for 2016/17.

3. Reasons for the recommendation:

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

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

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

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

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

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of the Capital Programme as at 31 March 2016 ahead of inclusion in the Council's annual Statement of Accounts.

6. What are the legal aspects?

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

7. Monitoring Officer's comments:

The report raises no issues of concern for the Monitoring Officer.

8. Report Details:

CAPITAL MONITORING STATEMENT TO 31 MARCH 2016

8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2015/16 Capital Programme, including commitments brought forward from 2014/15, was last reported to Scrutiny Committee - Resources on 16 March 2016. From that report schemes totalling £2.186 million within the 2015/16 capital programme have now been deferred and are included within the 2016/17 budgets.

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Resources, 18 March 2015	19,174,870	
Budget Deferred to 2016/17 & Beyond at Quarter 3	(2,186,430)	Approved by Council 19 April 2016
Overspends/(Underspends) reported at Quarter 3	181,280	
Exeter CVS Loan	250,000	Approved by Council 23 February 2016
Bus Station Construction	6,250,000	Approved by Council 23 February 2016
Wessex Home Improvement Loans	61,750	Repayment of Loans
Vehicle Replacement Programme	22,630	Revenue contribution to capital outlay to purchase a ride on mower
Revised Capital Programme	23,754,100	

8.2 PERFORMANCE

Capital expenditure in the year amounted to £15,085,951. The actual expenditure during 2015/16 represents 63.51% of the revised Capital Programme, which means £8.923 million will need to be carried forward to be spent in future years, as indicated in Appendix 1.

Appendix 2 shows the overall position for those schemes which span more than one financial year.

8.3 CAPITALISATION OF STAFF COSTS

In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, any costs attributable to bringing a fixed asset into working condition for its intended use qualify as capital expenditure. Directly attributable costs include the labour costs of certain Council employees, which have been directly involved in the construction or acquisition of a specific asset.

During the financial year, costs of the Council's Property Management Team and Energy Management Team have been treated as capital expenditure, based upon timesheet information.

Several large capital schemes have required a high commitment in staff time, including the installation of photo voltaic panels to car parks and LED lighting to the Civic Centre and the replacement of the Livestock Centre Roof.

The total value of staff time charged to capital schemes for 2015/16 amounted to £114,053.

8.4 CAPITAL FINANCING

The capital expenditure in 2015/16 of £15,085,951 was financed as follows:

	General Fund £	HRA £	Total £
Housing Revenue Account (Revenue)		5,771,930	5,771,930
HRA Major Repairs Reserve		1,433,126	1,433,126
Capital Grants & Contributions	1,844,085	595,223	2,439,308
Capital Receipts	598,268	85,000	683,268
Revenue (New Homes Bonus etc.)	1,578,642		1,578,642
Borrowing	3,179,677		3,179,677
	7,200,672	7,885,279	15,085,951

The available capital resources for the General Fund for 2015/16 are £4.469 million. Total General Fund capital expenditure is £7.201 million of which £3.180 million will be funded from borrowing, allowing £0.448 million of capital receipts to be carried forward. The available capital resources for the HRA for 2015/16 are £17.097 million. Total HRA capital expenditure is £7.885 million leaving £9.212 million to be carried forward into 2016/17. Appendix 3 sets out the forecast use of the resources available for the General Fund and the HRA and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

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

	General Fund £	HRA £
Balance as at 31 December 2015	827,526	1,335,053
New Receipts	218,376	833,208
Less HRA Pooling		(130,568)
Balance as at 31 March 2016	1,045,902	2,037,693

8.5 EXPENDITURE VARIANCES

The main variances and issues concerning expenditure that have arisen since 31 December are as follows:

Scheme	Overspend / (Underspend) £	Reason
Energy Conservation	(19,000)	It was hoped that solar panels would be installed on Faraday House, however structural surveys reveal that the roof does not have sufficient load bearing capacity. The budget is therefore shown as a saving.
Structural Repairs	10,926	A minor overspend in respect of the underpinning and refurbishment of 30 and 32 Wilford Road following completion of the works in February 2016.
COB Wave 2 – Rennes House Car Park	411,391	The additional forecast cost relates to two key factors; inflationary rises in contract costs due to delays in the scheme and the inclusion of 5 additional units. In 2015/16 further design work was undertaken in order to re-submit the scheme for planning approval and delays associated with moving telecoms equipment and an electrical substation have resulted in tender price increases. The additional costs can be met from commuted sums, which are sums received towards the provision of new affordable housing.
COB Wave 2 – Newport Road	(6,270)	A combined minor underspend has occurred in respect of the three council own build sites completed during the financial year. In total, 20 new properties were built to passiv haus standards comprising; 6 at Reed Walk, 8 at Silverberry Close and 6 at Barberry Close.
COB Wave 2 – Whipton Methodist Church		
COB Wave 2 – Bennett Square		
St Loyes Extra Care Scheme	27,758	The overall project cost is now £10.85 million and the budget is profiled in accordance with the latest cash flow projections from the external project managers. This minor budget adjustment will be met from commuted sums, which are sums received towards the provision of new affordable housing.

8.6 SCHEMES TO BE DEFERRED TO 2016/17 AND BEYOND

Schemes which have been identified since 31 December as being wholly or partly deferred to 2016/17 and beyond are:

Scheme	Revised 15/16 Budget £	Budget to be Deferred £	Reason
Wessex Loan Scheme	202,580	112,261	Take up of loans has been less than predicted. Increased levels of marketing and changes to the means by which enquiries are processed have been introduced to improve loan take-up.
WHIL Empty Properties	194,000	189,000	We are continuing to promote the empty homes loan and we have several applicants that are currently being reviewed by Wessex for suitability for the loan.
Play Area Refurbishments	105,380	105,380	Staff resources an issue and some projects weather dependent.
Rougemont Gardens – Path & Railings	50,000	37,000	Lack of staff resources an issue.
Exhibition Way Bridge Maintenance	39,980	39,580	Original specification cannot be achieved at the current budget. Discussions underway with DCC to determine lesser requirements.
Repairs to Turf Lock Gates	145,320	35,322	Scheme now underway and will complete in 2016/17.
Repair Canal Bank at M5	60,000	44,549	Lack of staff resources an issue.
Replace Car Park Ticket Machines	200,000	200,000	The tender process has been completed and the machines have now been ordered.
RAMM Development	382,380	382,380	Payments not due until 2016/17.
Passenger Lift at RAMM	45,000	45,000	Progress stalled due to lack of staff. Full design, specification and tender documents in production.
Bus Station Construction	6,250,000	6,126,244	The full budget has been added to the programme as approved in February, but now needs to be profiled in-line with anticipated expenditure.
Energy Saving Projects	2,010,148	180,552	Plans for a further PV project delayed to 2016/17.

Common Area Footpath/Wall Improvements	262,430	106,050	Planned improvements at Higher Barley Mount, Thorn Close and Vaughan Road have been delayed until early 2016/17. Some slippage has occurred due to the time required to consult with leaseholders.
Electrical Re-wiring	997,970	145,330	Responsibility for the procurement of electrical repairs to communal areas transferred directly to the HRA following the restructure of Property Services. This has resulted in works being deferred whilst the necessary contract arrangements are put in place.
COB Wave 2 – Rennes House Car Park	43,420	412,476	The budget for the development of this site has been re-profiled in accordance with the latest cash-flow projections and reflects delays to the scheme as explained above.
St Loyes Extra Care Scheme	617,240	75,890	The budget for this new build scheme has been re-profiled in accordance with the latest cash-flow projections although the overall completion date remains no later than 31 March 2018 in accordance with the Department of Health grant conditions.
Acquisition of Social Housing	575,980	111,210	The Council has committed to the purchase of two new build properties, which were expected to complete before 31 March. Unfortunately, boundary issues have caused a slight delay and completions are now expected early in 2016/17.

8.7 ACHIEVEMENTS

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

- Exton Road Lighting**
 Lighting levels have been increased to required standards.
- Phoenix – Replace Air Conditioning Units**
 Installation of compliant chiller equipment has resulted in improved operation and cooling and reduced breakdowns as well as the removal of a significant health and safety hazard.
- Livestock Market Electrical Distribution Boards**
 Compliant electrical installation and improved ability to provide service.
- Livestock Centre Roof Replacement**
 The failing roof covering has been replaced enabling the installation of photo voltaic panels.

- **Energy Saving Projects**

All projects listed in the Renewables and Energy Efficiency Programme for 2015/16 have been successfully delivered. The Livestock Centre PV being the last project to complete. On-going electrical works involve the new high voltage supply to the building and sale of electricity to all leaseholders, to be completed in May. A new programme is being prepared for 2016/17 and an Energy Strategy which builds on everything accomplished this far. The programme has already received much accolade, winning the LGC Environment Award, Public Sector Sustainability Innovation Award and highly commended Regen South West Green Energy Award.

8.8 CAPITAL PROGRAMME 2016/17 (Appendix 4)

The revised Capital Programme for 2016/17, after taking into account the carried forward requirements from 2015/16 along with the £115,000 for St Nicholas Priory and £18,000 for Queens Crescent CPO, both approved by Council on 19 April 2016 now totals £30,966,005.

9.0 FURTHER FUNDING REQUEST

9.1 eFinancials – Version 5

£50,000 was approved in respect of this project as part of the 2016/17 capital programme. Since this approval we have found that a new server and associated oracle licences also need to be purchased in order to avoid paying substantial fines. Quotes are still being sought, however, it is estimated that the maximum additional cost will be £50,000.

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

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

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.

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**

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

Background papers used in compiling this report:

None

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

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CAPITAL MONITORING TO 31 MARCH 2016

	2015/16 Revised Capital Programme	2015/16 Spend to 31 March	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£
PEOPLE				
HELP ME FIND SOMEWHERE TO LIVE				
Disabled Facility Grants	380,670	387,713	(7,043)	
Wessex Loan Scheme	202,580	90,319	112,261	
WHIL Empty Properties	194,000	5,000	189,000	
The Haven	7,200	1,860	5,340	
Wat Tyler House Grant to CVS	30,000	30,000		
ECVS Loan	250,000	250,000		
PEOPLE TOTAL	1,064,450	764,891	299,559	

CAPITAL MONITORING TO 31 MARCH 2016

	2015/16 Revised Capital Programme	2015/16 Spend to 31 March	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£
PLACE				
KEEP PLACE LOOKING GOOD				
Play Area Refurbishments	105,380		105,380	
Flowerpot Skate Park Lighting	28,050	28,390		340
Refurbishment and Upgrade of Paddling Pools	750	754		4
Parks Improvements	9,430			(9,430)
Neighbourhood Parks & Local Open Spaces	8,020			(8,020)
Belmont Pleasure Ground - New Path	30,000	34,150		4,150
Rougemont Gardens - Path & Railings	50,000	13,000	37,000	
Exhibition Way Bridge Maintenance	39,980	400	39,580	
Canal Bank Repairs & Strengthening	1,060		1,060	
National Cycle Network	4,500	4,500		
Repair to Turf Lock Gates	145,320	109,998	35,322	
Repair Canal Bank at M5	60,000	15,451	44,549	
Cathedral Yard - Replace Street Lighting	20,000	18,498		(1,502)
Replace Car Park Ticket Machines	200,000		200,000	
Phoenix - Replace Air Conditioning Units	30,000	27,419		(2,581)
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY				
Vehicle Replacement Programme	568,280	568,277		(3)
Exton Road Lighting	31,310	27,741		(3,569)
Mincinglake Reed Beds and Storage Ponds	28,350	21,820	6,530	

CAPITAL MONITORING TO 31 MARCH 2016

	2015/16 Revised Capital Programme	2015/16 Spend to 31 March	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£
PROVIDE GREAT THINGS FOR ME TO SEE & DO				
Replace Running Track at Exeter Arena	205,720	211,606		5,886
Sports Facilities Refurbishment	67,000	30,876	36,124	
RAMM Development	382,380		382,380	
Passenger Lift at RAMM	45,000		45,000	
RAMM Shop	2,500	2,500		
Storage of Archives	5,000	5,002		2
Livestock Market Electrical Distribution Boards	5,930	5,933		3
Livestock Centre Roof Replacement	1,250,000	1,242,624	7,376	
DELIVER GOOD DEVELOPMENT				
Newcourt Community Hall (S106)	770	4,083	(3,313)	
Newtown Community Centre (2nd Grant)	2,250	2,250		
Beacon Heath Martial Arts & Boxing Club - New Roof	21,810	1,000	20,810	
Devonshire Place (Landscaping)	10,690	13,345	(2,655)	
St Sidwells Community Centre	17,630	17,627	3	(0)
Exeter Gymnastics Club	40,000	40,000		
City Centre Enhancements	8,260			(8,260)
Paris Street Roundabout Landscaping & Sculptural Swift Tower	24,840	14,884		(9,956)
Ibstock Environmental Improvements	3,240	1,845	1,395	
Local Energy Network	67,050	67,050		
Bus Station Construction	6,250,000	123,756	6,126,244	
Leisure Complex - Build Project	1,600,000	1,461,792	138,208	
PLACE TOTAL	11,370,500	4,116,571	7,220,993	(32,936)

CAPITAL MONITORING TO 31 MARCH 2016

	2015/16 Revised Capital Programme	2015/16 Spend to 31 March	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£
CORPORATE SERVICES				
WELL RUN COUNCIL				
STRATA Implementation	30,650	30,651		1
Annual Contribution to Strata	53,900	53,904		4
ldox	60,000	24,786	35,214	
eTendering System	15,000		15,000	
Invest to Save Opportunities	100,000	19,300		(80,700)
Energy Saving Projects	2,190,700	2,010,148	180,552	
Customer Contact Platform	145,000		145,000	
Voice Activated Directory	44,800	42,812		(1,988)
Civic Centre Access Doors	23,560	23,558		(2)
Capitalised Staff Costs	175,000	114,053		(60,947)
CORPORATE SERVICES TOTAL	2,838,610	2,319,211	375,766	(143,633)

CAPITAL MONITORING TO 31 MARCH 2016

	2015/16 Revised Capital Programme	2015/16 Spend to 31 March	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£
HRA				
MAINTAIN OUR PROPERTY ASSETS				
Adaptations	595,940	606,156		10,216
Rendering of Council Dwellings	308,650	289,260	19,390	(0)
MRA Fees	13,380	12,691		(689)
Communal Door Entry System	10,000	4,395		(5,605)
Environmental Improvements - General	52,080	53,782		1,702
Programmed Re-roofing	70,000	72,667		2,667
Energy Conservation	19,000			(19,000)
Smoke Detector Replacements	113,040	111,010		(2,030)
LAINGS Refurbishments	50,010	42,716	7,294	(0)
Kitchen Replacement Programme	1,418,880	1,401,468	17,412	(0)
Bathroom Replacement Programme	1,253,770	1,229,894	23,876	0
Other Works	43,620	27,554	16,066	(0)
Fire Precautionary Works to Flats	291,400	298,899		7,499
Communal Areas	158,650	118,826	39,824	0
Structural Repairs	212,940	223,866		10,926
Rennes House Structural Works	35,840	6,750	29,090	
Common Area Footpaths/Wall Improvements	262,430	156,380	106,050	0
Replacement of Lead Water Mains	15,000	20,718		5,718
Soil Vent Pipe Replacement	21,620	13,667		(7,953)
Electrical Central Heating	16,630	17,022		392
Faraday House Roof Replacement	175,000	171,230	3,770	0

CAPITAL MONITORING TO 31 MARCH 2016

	2015/16 Revised Capital Programme	2015/16 Spend to 31 March	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£
Electrical Re-wiring	997,970	852,640	145,330	(0)
Central Heating Programme	73,000	78,240		5,240
Boiler Replacement Programme	124,230	99,798	19,089	(5,343)
HELP ME FIND SOMEWHERE TO LIVE				
COB Wave 2 - Rennes Car Park	43,420	42,336	412,478	411,394
COB Wave 2 - Newport Road (Reed Walk)	622,140	589,189		(32,951)
COB Wave 2 - Brookway (Silverberry Close)	130,400	135,141		4,741
COB Wave 2 - Bennett Square (Barberry Close)	158,280	180,214		21,934
St Loyes Extracare Scheme	617,240	569,106	75,890	27,756
Acquisition of Social Housing	575,980	459,664	111,210	(5,106)
HRA TOTAL	8,480,540	7,885,278	1,026,769	431,507
TOTAL CAPITAL BUDGET	23,754,100	15,085,951	8,923,087	254,938

CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

	Total Capital Budget to end of 2015/16	Total Spend Up to 31 March 2016	2015/16 Budget to be Carried Forward to 2016/17	2015/16 Programme Variances Under ()
	£	£	£	£
PEOPLE				
HELP ME FIND SOMEWHERE TO LIVE				
The Haven	250,000	244,654	5,340	0
PEOPLE TOTAL	250,000	244,654	5,340	0
PLACE				
KEEP PLACE LOOKING GOOD				
Refurbishment and Upgrade of Paddling Pools	212,880	212,886	0	4
Flowerpot Skatepark Lighting	29,400	29,736	0	340
Topsham Recreation Ground	53,200	53,177	0	0
Exhibition Way Bridge Maintenance	45,000	5,415	39,580	0
Canal Bank Repairs & Strengthening	40,000	38,942	1,060	0
Repair to Turf Lock Gates	150,000	114,682	35,322	0
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY				
Exton Road Lighting	31,500	27,936	0	(3,569)
PROVIDE GREAT THINGS FOR ME TO SEE & DO				
Replace Running Track at Exeter Arena	790,000	795,883	0	5,886
Storage of Archives	33,702	33,705	0	2
Livestock Market Electrical Distribution Boards	48,283	48,279	0	3
DELIVER GOOD DEVELOPMENT				
Newcourt Community Hall (S106)	52,535	55,862	(3,313)	0
Newcourt Community Hall (Grant)	33,510	33,506	0	0
Paris Street Roundabout Landscaping & Sculptural Swift Tower	69,500	59,537	0	(9,956)
Local Energy Network	149,000	149,000	0	0
PLACE TOTAL	1,738,510	1,658,546	72,648	(7,290)

CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

	Total Capital Budget to end of 2015/16	Total Spend Up to 31 March 2016	2015/16 Budget to be Carried Forward to 2016/17	2015/16 Programme Variances Under ()
	£	£	£	£
HRA				
HELP ME FIND SOMEWHERE TO LIVE				
COB Wave 2 - Rennes Car Park	269,000	267,911	412,478	411,394
COB Wave 2 - Newport Road	1,310,758	1,277,808	0	(32,951)
COB Wave 2 - Brookway (Whipton Methodist Church)	1,452,414	1,457,158	0	4,741
COB Wave 2 - Bennett Square	1,237,447	1,259,382	0	21,934
Phase 2 St Andrews Road	9,574	9,574	0	0
St Loyes Design Fees	617,240	569,106	75,890	27,756
HRA TOTAL	4,896,433	4,840,939	488,368	432,873
TOTAL CAPITAL BUDGET	6,884,943	6,744,139	566,357	425,583

GENERAL FUND	2015-16 £	2016-17 £	2017-18 £	2018-19 £	Future Years £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
GF Capital Receipts	1,045,902	86,661	2,250,000			3,382,563
Revenue Contributions to Capital Outlay	42,628	40,000				82,628
Disabled Facility Grant	379,076	379,000	379,000	379,000	379,000	1,895,076
New Homes Bonus	1,536,014	1,889,741	500,000			3,925,755
Community Infrastructure Levy				500,000		500,000
Other - Grants/External Funding/Reserves/S106	1,465,010	137,334				1,602,344
Total Resources Available	4,468,630	2,532,736	3,129,000	879,000	379,000	11,388,366
GENERAL FUND CAPITAL PROGRAMME						
Capital Programme	15,273,560	6,383,908	9,053,030	6,019,330	989,330	37,719,158
New Approvals		133,000				133,000
Overspends/(Savings)	(176,569)					(176,569)
Slippage	(7,896,318)	7,896,318				0
Total General Fund	7,200,673	14,413,226	9,053,030	6,019,330	989,330	37,675,589

UNCOMMITTED CAPITAL RESOURCES:						
Capital Receipts Brought Forward	0	447,634	0	0	0	447,634
Resources in Year	4,468,630	2,532,736	3,129,000	879,000	379,000	11,388,366
Less Capital Receipts to carry forward	(447,634)	0	0	0	0	(447,634)
Less Estimated Spend in Year	(7,200,673)	(14,413,226)	(9,053,030)	(6,019,330)	(989,330)	(37,675,589)
Borrowing Requirement	3,179,677	11,432,856	5,924,030	5,140,330	610,330	26,287,223
Uncommitted Capital Receipts	447,634	0	0	0	0	0

HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2015-16 £	2016-17 £	2017-18 £	2018-19 £	2019-20 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						945,482
Major Repairs Reserve Brought Forward						5,192,878
Other HRA Sales	0	0	0	0	0	0
RTB sales	2,040,905	750,000	500,000	500,000	500,000	4,290,905
Major Repairs Reserve	2,550,566	2,656,950	2,656,950	2,656,950	2,656,950	13,178,366
Revenue Contributions to Capital	5,771,930	4,689,075	6,496,642	4,496,555	2,500,000	23,954,202
External contributions	26,118	50,598	0	0	0	76,716
HCA funding	0	705,000	705,000	0	0	1,410,000
Commuted sums	569,106	3,589,118	2,827,014	159,883	0	7,145,121
Total Resources available	10,958,625	12,440,741	13,185,606	7,813,388	5,656,950	56,193,670
CAPITAL PROGRAMME						
HRA Capital Programme	8,480,533	16,760,793	16,306,487	7,893,084	5,369,095	54,809,992
March - Overspends / (Savings)	431,513					431,513
March - Slippage / Re-profiling	(1,026,767)	169,026	859,735	4,880	(6,874)	0
Total Housing Revenue Account	7,885,279	16,929,819	17,166,222	7,897,964	5,362,221	55,241,505
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	945,482	2,901,388	3,151,388	563,804	63,804	945,482
Major Repairs Reserve Brought Forward	5,192,878	6,310,318	1,571,240	178,208	593,632	5,192,878
Resources in Year	10,958,625	12,440,741	13,185,606	7,813,388	5,656,950	50,055,310
Less Estimated Spend	(7,885,279)	(16,929,819)	(17,166,222)	(7,897,964)	(5,362,221)	(55,241,505)
Uncommitted Capital Resources	9,211,706	4,722,628	742,012	657,436	952,165	952,165
WORKING BALANCE RESOURCES:						
Balance Brought Forward	7,736,532	7,068,670	6,927,045	5,123,683	4,843,106	7,736,532
HRA Balance Transfer - Surplus/(Deficit)	(2,959,182)	(44,125)	(1,803,362)	(280,577)	1,178,563	(3,908,683)
June forecast revenue savings	625,391	(70,000)				555,391
September forecast revenue savings	549,855					549,855
December forecast revenue savings	502,870					502,870
March outturn revenue savings	613,204	(27,500)				585,704
Balance Carried Forward	7,068,670	6,927,045	5,123,683	4,843,106	6,021,669	6,021,669
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
	3,068,670	2,927,045	1,123,683	843,106	2,021,669	2,021,669
TOTAL AVAILABLE CAPITAL RESOURCES	12,280,376	7,649,673	1,865,695	1,500,542	2,973,834	2,973,834

BUDGETS CARRIED FORWARD TO 2016/17 AND BEYOND

	2016/17 Budget as per Budget Book (includes Carry Forwards from Qtr 1 & Qtr 2)	Budget Carried Forward to 2016/17 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2016/17 and Beyond at Qtr 4	Total 2016/17 Budget	2017/18 Budget as per Budget Book
	£	£		£	£
PEOPLE					
HELP ME FIND SOMEWHERE TO LIVE					
Disabled Facility Grants	379,000		(7,043)	371,957	379,000
Warm Up Exeter/PLEA Scheme		163,650		163,650	
Wessex Loan Scheme			112,261	112,261	
WHIL Empty Properties			189,000	189,000	
The Haven			5,340	5,340	
Temporary Accommodation Purchase		300,000		300,000	
PEOPLE TOTAL	379,000	463,650	299,559	1,142,209	379,000
PLACE					
KEEP PLACE LOOKING GOOD					
Play Area Refurbishments			105,380	105,380	
Topsham Recreation Ground	3,530			3,530	
Rougemont Gardens - Path & Railings			37,000	37,000	
Exhibition Way Bridge Maintenance			39,580	39,580	
Canal Bank Repairs & Strengthening			1,060	1,060	
Northbrook Flood Alleviation Scheme	498,130			498,130	
Repair to Turf Lock Gates			35,322	35,322	
Repair Canal Bank at M5			44,549	44,549	
Replace Car Park Ticket Machines			200,000	200,000	
Queen's Crescent CPO				18,000	
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY					
Heavitree Church Retaining Wall	55,000			55,000	
Northernhay Driveway	60,000			60,000	
Vehicle Replacement Programme	550,000	50,000		600,000	400,000
Mincinglake Reed Beds and Storage Ponds			6,530	6,530	
Guildhall, John Lewis & Mary Arches MSCP Fire Alarms	90,000			90,000	
Car Park Surfacing - Haven Road	30,000			30,000	
Replace Lifts at Mary Arches MSCP	100,000			100,000	
Budlake Road Resurfacing	50,000			50,000	
Farmers Market Electricity Supply	20,000			20,000	

BUDGETS CARRIED FORWARD TO 2016/17 AND BEYOND

	2016/17 Budget as per Budget Book (includes Carry Forwards from Qtr 1 & Qtr 2)	Budget Carried Forward to 2016/17 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2016/17 and Beyond at Qtr 4	Total 2016/17 Budget	2017/18 Budget as per Budget Book
	£	£		£	£
PROVIDE GREAT THINGS FOR ME TO SEE & DO					
Sports Facilities Refurbishment	56,430		36,124	92,554	56,430
RAMM Development			382,380	382,380	
Passenger Lift at RAMM			45,000	45,000	
RAMM Shop		65,500		65,500	
Livestock Centre Roof Replacement			7,376	7,376	
City Centre Enhancements - TV Screens		40,000		40,000	
St Nicholas Priory				115,000	
MAINTAIN THE ASSETS OF OUR CITY					
RAMM Roof	68,500			68,500	
DELIVER GOOD DEVELOPMENT					
Newcourt Community Hall (S106)		9,235	(3,313)	5,922	
Newcourt Community Hall (Grant)		36,240		36,240	
Newtown Community Centre (1st Grant)		50,000		50,000	
Newtown Community Centre (2nd Grant)		46,750		46,750	
Countess Wear - Village Hall		75,000		75,000	
Beacon Heath Martial Arts & Boxing Club - New Roof			20,810	20,810	
Devonshire Place (Landscaping)		3,000	(2,655)	345	
Alphington Village Hall (Repairs & Extension)		50,000		50,000	
St Sidwells Community Centre		22,373	3	22,376	
Heavitree Environmental Improvements	22,880			22,880	
Ibstock Environmental Improvements			1,395	1,395	
Bus Station Construction			6,126,244	6,126,244	
Leisure Complex - Build Project	1,400,000		138,208	1,538,208	8,000,000
PLACE TOTAL	3,004,470	448,098	7,220,993	10,806,561	8,456,430

BUDGETS CARRIED FORWARD TO 2016/17 AND BEYOND

	2016/17 Budget as per Budget Book (includes Carry Forwards from Qtr 1 & Qtr 2)	Budget Carried Forward to 2016/17 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2016/17 and Beyond at Qtr 4	Total 2016/17 Budget	2017/18 Budget as per Budget Book
	£	£		£	£
CORPORATE SERVICES					
WELL RUN COUNCIL					
Annual Contribution to Strata	53,900			53,900	53,900
Idox System for Planning	18,700		35,214	53,914	18,700
HR System	67,130			67,130	
Convergence Projects	142,960			142,960	
eFinancials - Version 5	50,000			50,000	
Guildhall Wi-Fi	17,000			17,000	
Customer Contact Platform	60,000		145,000	205,000	45,000
eTendering System			15,000	15,000	
Invest to Save Opportunities	100,000			100,000	
Civic Centre Replacement Doors	15,000			15,000	
Energy Saving Projects	1,264,000	200,000	180,552	1,644,552	
Capitalised Staff Costs	100,000			100,000	100,000
CORPORATE SERVICES TOTAL	1,888,690	200,000	375,766	2,464,456	217,600

BUDGETS CARRIED FORWARD TO 2016/17 AND BEYOND

	2016/17 Budget as per Budget Book (includes Carry Forwards from Qtr 1 & Qtr 2)	Budget Carried Forward to 2016/17 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2016/17 and Beyond at Qtr 4	Total 2016/17 Budget	2017/18 Budget as per Budget Book
	£	£		£	£
HRA					
INVESTMENT IN EXISTING STOCK					
Adaptations	450,000			450,000	450,000
Rendering of Council Dwellings			19,390	19,390	
Environmental Improvements - General	30,000			30,000	40,000
Energy Conservation		31,000		31,000	
LAINGS Refurbishments	1,112,010	100,000	7,294	1,219,304	1,602,437
Kitchen Replacement Programme	331,200		17,412	348,612	452,200
Bathroom Replacement Programme	284,400		23,876	308,276	363,400
Other Works			16,066	16,066	50,000
Fire Precautionary Works to Flats	250,000			250,000	250,000
Communal Areas		9,000	39,824	48,824	
Structural Repairs	55,000			55,000	
Rennes House Structural Works	500,000		29,090	529,090	1,400,000
Common Area Footpaths/Wall Improvements	1,980,000	158,000	106,050	2,244,050	500,000
Lift Replacement - 98 Sidwell Street		56,000		56,000	
Soil Vent Pipe Replacement	25,000			25,000	25,500
Faraday House Roof Replacement			3,770	3,770	
Electrical Re-wiring	1,522,775		145,330	1,668,105	888,000
Central Heating Programme	50,000	100,000		150,000	167,535
Boiler Replacement Programme	126,000		19,089	145,089	357,000
Communal Area Improvements - New Flooring					110,160
Communal Door and Screen Replacements					301,869
Electrical Central Heating	18,750			18,750	19,125
Fire Alarm Replacement - Russet House	30,000			30,000	
Fire Risk Assessment Works	60,000			60,000	409,000
Loft and Cavity Insulation	75,000			75,000	25,000
New Water Mains at Whipton Barton House	50,000			50,000	
Reroofing - Flats	106,500			106,500	410,000
Reroofing - Houses	30,000			30,000	780,300
Re-roofing Replacement Works - Shilhay	660,000			660,000	
Window Replacements					746,002
INFORMATION TECHNOLOGY					
Replacement Housing Management System	125,000			125,000	125,000

BUDGETS CARRIED FORWARD TO 2016/17 AND BEYOND

	2016/17 Budget as per Budget Book (includes Carry Forwards from Qtr 1 & Qtr 2)	Budget Carried Forward to 2016/17 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2016/17 and Beyond at Qtr 4	Total 2016/17 Budget	2017/18 Budget as per Budget Book
	£	£		£	£
PROVISION OF NEW COUNCIL HOMES					
Social Housing Acquisitions - Section 106	250,000	55,600	111,210	416,810	690,000
Social Housing Acquisitions - Open Market	1,000,000			1,000,000	
COB Wave 2 - Rennes Car Park	2,594,061	446,086	412,478	2,466,065	1,176,800
St Loyes Extracare Scheme	4,401,906	118,992	75,890	4,294,118	5,826,893
HRA TOTAL	16,117,602	1,074,678	1,026,769	16,929,819	17,166,221
TOTAL CAPITAL BUDGET	21,389,762	2,186,426	8,923,087	31,343,045	26,219,251

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REPORT TO RESOURCES SCRUTINY COMMITTEE

Date of Meeting: 29 June 2016

REPORT TO EXECUTIVE

Date of Meeting: 12 July 2016

REPORT TO COUNCIL

Date of Meeting: 26 July 2016

Report of: Assistant Director Finance

Title: OVERVIEW OF REVENUE BUDGET 2015/16

Is this a Key Decision?

No

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

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 To advise Members of the overall financial position of the HRA & General Fund Revenue Budgets for the 2015/16 financial year and to seek approval for the General Fund working balance, HRA working balance, a number of supplementary budgets and the creation of new earmarked reserves.

2. Recommendations:

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

- 2.1 That the net transfer of £198,695 from Earmarked Reserves as detailed in paragraph 8.3.6 is approved.
- 2.2 That supplementary budgets of £1,457,409 be approved as detailed in paragraph 8.3.8
- 2.3 That Earmarked Reserves at 31 March 2016 be noted;
- 2.4 That the Council Tax account and collection rate be noted;
- 2.5 That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted;
- 2.6 That the creditor payments performance be noted;
- 2.7 By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2016, be approved at £5,516,722;
- 2.8 That the Housing Revenue Account working balance at 31 March 2015 is approved at £7,068,670 and the Council Own Build working balance is approved at £169,004.

3. Reasons for the recommendation:

- 3.1 To formally approve the Council's end of year financial position and carry forward any budgets that were not spent but the funding is still required.

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

4.1 The impact on the General Fund working balance, HRA working Balance and Council Own Build working balance are set out in sections 8.3.7, 8.2.1 and 8.2.4 respectively.

4.2 A request for supplementary budgets totalling £1,457,409 has been included.

5. Section 151 Officer comments:

5.1 The report represents the financial position as at 31 March 2016. In respect of the year, whilst there are some areas of the Council that have struggled to remain within budget, the overall position in respect of the General Fund is positive, with a large addition to the working balance. However this will be offset by the request for supplementary budgets for 2015/16. As a prudent measure funds have been set aside from earmarked reserves to repay debt. The performance of the HRA is also generally positive, with a significant underspend against budget.

6. What are the legal aspects?

6.1 There are no legal aspects to the report.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 Financial Summary

FUND	Planned Transfer (to) / from Working Balance	Budget Variance Over / (under)	Outturn Transfer 2015/16
	£	£	£
General Fund	1,360,180	(2,902,384)	(1,542,204)
HRA	2,959,182	(2,291,320)	667,862
Council own Build Houses	(37,800)	(3,249)	(41,049)

8.2 Housing Revenue Account (Appendix A)

8.2.1 The Outturn Statement shows a reduction in the working balance of £667,862 to stand at £7,068,670. This is a significant variance from the proposed reduction to the balance of £2,959,182 at the start of the year.

Movement	2015/16
Opening HRA Working Balance, as at 1/4/15	£7,736,532
Deficit for 2015/16	(£667,862)
Balance, as at 31/3/16	£7,068,670

8.2.2 The key variances are as follows:

Management Unit	Over / (Underspend)	Detail
Management Costs	(£229,180)	<ul style="list-style-type: none"> • Reflects an under-spend in respect of the introduction of mobile working in housing services • This delay has also reduced staff training costs which has resulted in a saving. • The hosting of a tenant and leaseholder conference is now planned during 2016-17. • Vacant posts have resulted in savings in employee costs.
Repairs and Maintenance Programme	(£1,950,409)	<ul style="list-style-type: none"> • As reported during the financial year, a £1m saving has occurred in respect of resolving damp ingress following lower tender prices coupled with a lower level of remedial repairs compared to original estimates. • Significant savings have also been achieved in respect of routine service and maintenance budgets

8.2.3 The Major Repairs Reserve is 'ring fenced' for capital works. After transfers, the balance on the Major Repairs Reserve will stand at £6,310,318 at 31 March 2016.

Movement	2015/16
Opening Major Repairs Reserve, as at 1/4/15	£5,192,878
Revenue monies set aside during 2015/16	£2,550,566
Amount used to finance capital expenditure during 2015/16	(£1,433,126)
Balance, as at 31/3/16	£6,310,318

8.2.4 The Council's new properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing. The total budget variances for 2015/16 have resulted in a net surplus of £41,049, which will be transferred to the COB working balance.

Movement	2015/16
Opening Council Own Build, as at 01/04/14	£127,995
Surplus	£41,049
Balance, as at 31/03/15	£169,044

8.3 General Fund (Appendix B)

8.3.1 The Service Committees show an overall underspend of £3,024,056 against a revised budget of £13,517,220. The main variances are:

8.3.2 **Scrutiny Committee People – (An underspend in total of £229,228)**

Management Unit	Over / (Underspend)	Detail
Advisory Services	(58,633)	<ul style="list-style-type: none"> Savings on pay budgets due to vacancies
Private Sector Housing	40,878	<ul style="list-style-type: none"> Lower than budgeted level of licence fee income in respect of the new Houses of Multiple Occupation licensing scheme. Door to door visits, advertising and targeted mail drops have been undertaken to encourage owners to apply.
General Fund Housing - Property	42,363	<ul style="list-style-type: none"> Reflects additional costs of reinstating Shauls Court prior to handing back the property in December 2015, in accordance with the terms of the lease. The decant of two Houses of Multiple Occupation to facilitate new management arrangements also resulted in a reduction in rental income.
Revenue Collection & Benefits	(253,836)	<ul style="list-style-type: none"> Recovery of overpayments higher than budgeted Grant income from DCC in respect of Local Welfare Support to be transferred to an earmarked reserve

8.3.3 Scrutiny Committee Place – (An underspend in total of £2,751,030)

Management Unit	Over / (Underspend)	Detail
Public Safety	(121,019)	<ul style="list-style-type: none"> • Contribution from the Housing Revenue Account towards the cost of continuing the Home Call Alarm service to residents in the Council's older persons' accommodation (£51k). • Expenditure on overtime and other pay budgets is less than the annual budget. • Equipment maintenance budgets in respect of Home Call Alarm are underspent as are the budget for support service recharges.
Parks & Green Spaces	(£225,875)	<ul style="list-style-type: none"> • A number of supplies and services budgets are underspent with expenditure on the materials (£72k), skips (£20k) and sub-contractors being significantly less than the budget. • Fleet related costs and are lower than the budget (£34k). • Rechargeable income less than budget as responsibility for works now sits within Public Realm Assets (See 81F1). • Transfer of income offset by additional income from sale of plant, equipment and vehicles and S106 contributions. • Pay Costs are less than the budget due to vacancies. • A Revenue Contribution to Capital has been made in respect of a new mower.
Street Cleaning	(£80,537)	<ul style="list-style-type: none"> • Underspend on budget for purchase of bins; a request to carry forward an element of this budget will be made. • Fleet costs were less than budget and additional income was received from sale of plant and equipment.

Management Unit	Over / (Underspend)	Detail
Economic Development	£84,381	<ul style="list-style-type: none"> • Following the secondment of the Assistant Director Economy on 1 July 2015, his pay costs were charged entirely to this unit. This resulted in salary savings in the services which previously bore his costs, partially offset by honoraria paid to the acting managers. • The net expenditure on the Rugby World Cup exceeded the budget by £85,610. A report to Scrutiny Committee – Economy on 22 January 2016 gave members an update on this event. • The budget for Innovation Exeter was not fully spent; a supplementary budget will be requested for 2016/17
Building Control	(£108,335)	<ul style="list-style-type: none"> • Income from Local Land Charges exceeded the budget, partially offset by additional pay costs (Net - £44k). • Income received from CLG in respect of the ongoing personal search fee issue (£60k), this will be transferred to an earmarked reserve. • Surplus on Building Control fee earning account, this will be transferred to the reserve.
Planning Services	(£100,076)	<ul style="list-style-type: none"> • Income from planning applications exceeded the budget by 34% (£176k). • Pay budgets underspent (£130k). • Consultant fees overspent significantly (£134k), partly offset by transfer from Local Development Framework reserve. • Recharge from Environmental Health for work carried out exceeded budget. • Support service recharge in respect of Legal Services less than the budget.

Management Unit	Over / (Underspend)	Detail
Markets & Halls	(£100,277)	<ul style="list-style-type: none"> • Additional income was generated from Corn Exchange events and car storage and auctioneers at the Livestock Centre. However, income from car boot sales and open air markets at the Livestock Centre were less than the budgets. • Utilities, Asset Improvement and Maintenance (see 8.2 above) and National Non Domestic Rates (NNDR) budgets were underspent. • Support service recharges from the Property Management and Energy management teams were less than the estimates.
Museum Services	(£184,318)	<ul style="list-style-type: none"> • Pay was less than the estimates • Utilities and National Non Domestic Rates (NNDR) budgets were underspent. • Additional income was generated from solar panels, lettings and commission on exhibition sales
Contracted Sports Facilities	(£743,031)	<ul style="list-style-type: none"> • Expenditure on the new leisure complex was less than the budget (£521k); £145k expenditure was incurred in respect of the overall leisure complex project which cannot be capitalised, but which will be funded from the New Homes Bonus. • Income under the contract increased as a result of the sports facilities contractor acquiring charitable status. (£130k) • The impact of reduced energy costs for the current and previous years has now been agreed with the contractor, leading to a refund of amounts previously paid and a reduction in the ongoing charges. (£183k)

8.3.4 Scrutiny Committee Corporate – (An underspend in total of £645,759)

Management Unit	Over / (Underspend)	Detail
Estates Services	(£89,441)	<ul style="list-style-type: none"> • Non Domestic Rates expenditure exceeded the budget. • Income from the property portfolio was 2% less than budgeted. South Street, the Guildhall shopping centre and Cowick Street were all more than 10% below the respective annual budgets (Total - £146k). • Pay budget underspent. • Property insurance costs and capital charges are less than the annual budget. • Asset Improvement and Maintenance contingency and lease repair budgets are underspent (Total - £121k). A request to carry forward an element of the unspent lease repairs budget will be made. • Support service recharges to the management unit are less than the budget.
Corporate Property Maintenance	(£334,490)	<ul style="list-style-type: none"> • The Property Maintenance Fund budget is underspent (£324k). A request to carry forward the budget underspend will be made. • Pay budgets were underspent due to vacancies. • Support service recharges to the management unit were more than the budget.
Grants/Cent Supp/Consultation	£130,582	<ul style="list-style-type: none"> • Pay and grants budgets overspent. • New Homes Bonus funding an element of the grants overspend. • Consultants' fees expenditure exceeded the budget. • Support service recharges to the management unit were more than the budget.

Management Unit	Over /	Detail
-----------------	--------	--------

	(Underspend)	
Human Resources	(£146,759)	<ul style="list-style-type: none"> • Underspend on pay budgets (£48k) • Underspend on training budgets (£68k) • Support service recharges for Civic Centre accommodation, Legal Services and Internal Audit less than the budgets
Corporate Customer Services	(£99,374)	<ul style="list-style-type: none"> • Underspend on utilities and Asset Improvement and Maintenance budgets in respect of the Civic Centre (Total - £72k). • Pay budgets underspent. • Additional rental and solar panel income received in respect of Civic Centre (Total - £35k). • Support service recharges were more than the budgets and capital charges exceeded the annual budget.

Strata Service Solutions Limited has had a relatively successful year in respect of the savings target set out in the Business Case. Against a target of £262,000, Strata has provided a refund of £230,000 (88%) to the three owners. This equates to a refund of £82,000 for Exeter.

8.3.5 Other Financial Variations

Other items	Over / (Underspend)	Detail
Revenue Contribution to Capital	1,578,642	<ul style="list-style-type: none"> • £42,000 related to identified revenue in the budget to fund two specific schemes; • The balance has been used from New Homes Bonus to pay for lower life assets and local infrastructure.
Minimum / Voluntary Revenue Provision	724,567	<ul style="list-style-type: none"> • The Council has voluntarily set aside £1.5m to repay debt. This will provide savings to the revenue budget in future years
Business Rates	(270,435)	<ul style="list-style-type: none"> • Business Rates income was boosted by a pooling gain of £220,000 earned as a result of being part of the Devon Business Rates pool. This cash would have gone to Central Government if the pool did not exist and enabled £2.2m to be shared across the Devon authorities.

8.3.6 Earmarked Reserves

Four new Earmarked reserves are being proposed:

Earmarked reserve	Amount (£)	Detail
Local Welfare Support	141,079	<ul style="list-style-type: none"> As part of the agreement with DCC, the underspend will be ring-fenced to spend on Local Welfare Support in future years.
Pinhoe Community Hub	100,000	<ul style="list-style-type: none"> The funds will be used to support the building of a new community hub in Pinhoe to incorporate a new library and community building. It is dependent on additional funding being raised.
Events Budgets	425,000	<ul style="list-style-type: none"> As approved in the last financial year, £425,000 is set aside to cover the costs of hosting the Big Weekend and the Rugby 7s tournament for three years at Sandy Park
Riverside Dilapidations	162,000	<ul style="list-style-type: none"> Funding is being set aside to enable works to be undertaken on the Riverside Leisure Centre.

During 2015/16 there has been an overall net take from Earmarked Reserves of £198,695 as shown in Appendix C.

Movement	2015/16
Opening Balance, as at 01/04/15	£5,640,456
Net take	(£198,695)
Balance, as at 31/3/16	£5,441,761

8.3.7 General Fund Balance

During 2015/16 there has been an overall net contribution to the General Fund Balance of £1,542,204. The minimum requirement for the General Fund working balance was approved by Council in February 2016 at £3million.

Movement	2015/16
Opening Balance, as at 01/04/15	£3,974,518
Surplus	£ 1,542,204
Balance, as at 31/3/16	£5,516,722

8.3.8 Supplementary Budgets

There is a requirement for significant supplementary budgets in 2016/17 as the Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £1,457,409, identified in Appendix D are approved in 2016/17. Of the total above, £98,000 relates to the HRA.

8.4 COUNCIL TAX

8.4.1 As at 1 April 2015, arrears amounted to £4.301m, the movements during 2015/16 were as follows:

	£m	£m
Arrears at 1 April 2015		4.301
Add:		
2015/16 debits raised net of discounts	55.291	
Less:		
Payments received	(55.636)	
Refunds and change in pre-payments	0.678	
Write-offs	<u>(0.245)</u>	
Arrears at 31 March 2015		<u>£4.389</u>

8.4.2 Against the arrears of £4.389m, a bad and doubtful debt provision of £1.550m has been provided, calculated in accordance with the appropriate accounting guidelines.

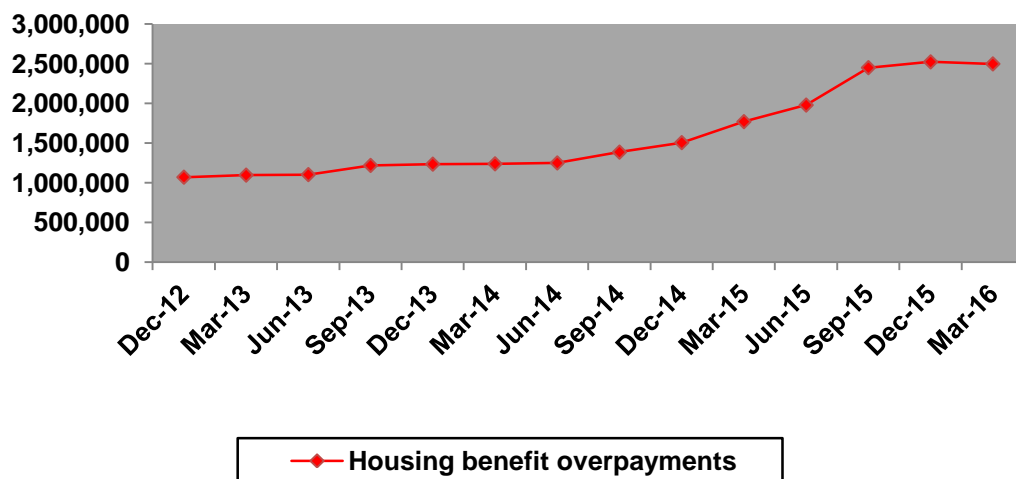
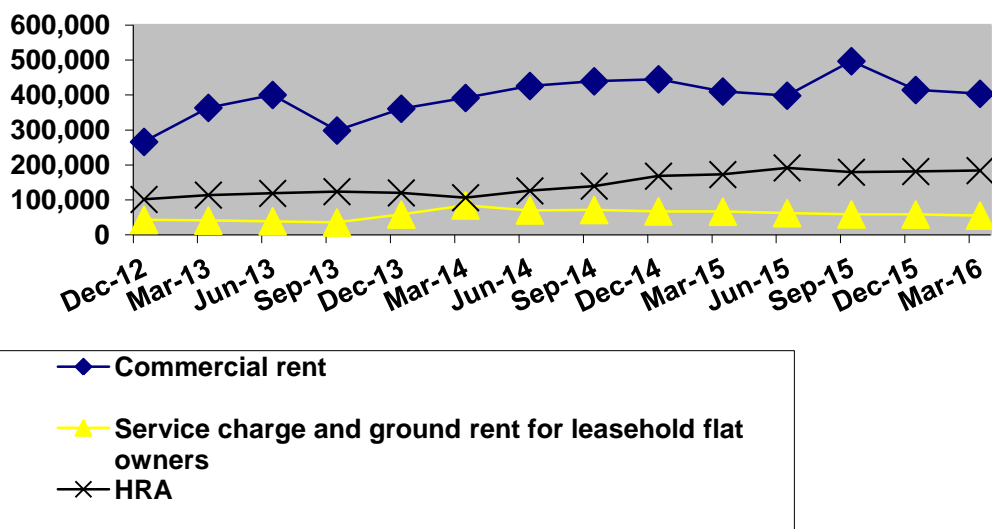
8.4.3 The 'In-Year' collection rate has decreased in comparison with the previous year. The collection rate for 2015/16 was 96.5% compared with 95.4% in 2014/15.

8.5 OUTSTANDING SUNDRY DEBT

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

Age of Debt	March 2015	December 2015	March 2016
Up to 29 days (current)	£1,779,525	£1,174,110	£1,362,755
30 days – 1 Year	£1,467,882	£1,698,373	£1,923,474
1 – 2 years	£575,938	£595,263	£730,460
2 – 3 years	£342,542	£451,063	£430,920
3 – 4 years	£185,764	£228,481	£258,353
4 – 5 years	£72,627	£141,680	£173,540
5 + years	£213,294	£221,229	£230,572
Total	£4,637,572	£4,510,199	£5,110,074

8.5.2 Of the outstanding debt, the graph below sets out the main services and debt trends for debt over 30 days old:



8.6 DEBT WRITE-OFFS

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

	2015/16	2014/15
• Council Tax	£244,748	£193,034
• Business Rates	£533,862	0
• Sundry Debt	£81,673	£85,554
• Housing Rents	£65,313	£41,609

8.7 CREDITOR PAYMENTS PERFORMANCE

8.7.1 Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 92.84% for 2015/16 compared with 95.60% for 2014/15.

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

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

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

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

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

11.1 Not applicable

12. Are there any other options?

12.1 Not applicable

Dave Hodgson
Assistant Director Finance

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

Background papers used in compiling this report:-

None

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

HOUSING REVENUE ACCOUNT
2015/16 REVENUE ESTIMATES - SUMMARY
as at 31 March 2016

HOUSING REVENUE ACCOUNT

Code	Approved Annual Budget	December Outturn Forecast	2015-2016 Outturn	Variance since December	Overall Variance To Budget	Variance To Budget
	£	£	£	£	£	%
85A1 Management	1,267,390	1,056,380	1,038,210	(18,170)	(229,180)	(18.1)
85A2 Housing Customers	1,239,920	1,269,670	1,254,657	(15,013)	14,737	1.2
85A3 Sundry Lands Maintenance	274,230	276,230	269,819	(6,411)	(4,411)	(1.6)
85A4 Repairs Fund Contribution	8,680,512	7,247,900	6,730,103	(517,797)	(1,950,409)	(22.5)
85A5 Revenue Contribution to Capital	5,771,930	5,771,930	5,771,930	0	0	0.0
85A6 Capital Charges	2,484,370	2,550,566	2,550,566	0	66,196	2.7
85A7 Housing Assets	1,222,550	1,130,110	1,133,929	3,819	(88,621)	(7.2)
85A8 Rents	(19,918,280)	(19,918,280)	(19,957,556)	(39,276)	(39,276)	0.2
85B2 Interest	1,936,560	1,896,560	1,876,204	(20,356)	(60,356)	(3.1)
85B4 Variance in Working Balance	(2,959,182)	(1,281,066)	(667,862)	613,204	2,291,320	
Net Expenditure	0	0	(0)	(0)	(0)	

Working Balance 1 April 2015 7,736,532 31 March 2016 7,068,670

COUNCIL OWN BUILD SITES

Code	Approved Annual Budget	December Outturn Forecast	2015-2016 Outturn	Variance since December	Variance To Budget	Variance To Budget
	£	£	£	£	£	%
H006 Rowan House	(8,020)	(8,020)	(10,017)	(1,997)	(1,997)	24.9
H007 Knights Place	(47,870)	(47,870)	(48,130)	(260)	(260)	0.5
H008 Interest	6,890	6,890	5,597	(1,293)	(1,293)	(18.8)
H009 Capital Charges	11,200	11,200	11,501	301	301	2.7
Variance in Working Balance	37,800	37,800	41,049	3,249	3,249	8.6
	0	0	0	0	0	

Working Balance 1 April 2015 127,995 31 March 2016 169,044

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GENERAL FUND
2015/16 REVENUE ESTIMATES - SUMMARY
as at 31 March 2016

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
SCRUTINY - PEOPLE	3,441,410		3,441,410	3,212,182	(229,228)
SCRUTINY - PLACE	9,640,710	1,006,400	10,647,110	7,896,080	(2,751,030)
SCRUTINY - CORPORATE	2,204,370	(15,890)	2,188,480	1,999,064	(189,416)
less Notional capital charges	(2,759,780)		(2,759,780)	(2,614,162)	145,618
<u>Service Committee Net Expenditure</u>	12,526,710	990,510	13,517,220	10,493,164	(3,024,056)
Net Interest	150,000		150,000	72,377	(77,623)
Investment Gain (Glitnir)	0		0	(62,893)	(62,893)
MMI Provision	0		0	57,238	57,238
New Homes Bonus	(3,528,980)		(3,528,980)	(3,528,983)	(3)
Revenue Contribution to Capital	0		0	1,578,642	1,578,642
Minimum Revenue Provision	1,570,730		1,570,730	818,115	(752,615)
Voluntary Revenue Provision	0		0	1,477,182	1,477,182
<u>General Fund Expenditure</u>	10,718,460	990,510	11,708,970	10,904,842	(804,128)
Transfer To/(From) Working Balance	(369,670)	(990,510)	(1,360,180)	1,542,204	2,902,384
Transfer To/(From) Earmarked Reserves	1,607,980		1,607,980	(198,695)	(1,806,675)
<u>General Fund Net Expenditure</u>	11,956,770	0	11,956,770	12,248,351	291,581
Formula Grant	(6,635,000)		(6,635,000)	(6,635,000)	0
Business Rates Growth / Pooling Gain	(561,000)		(561,000)	(831,435)	(270,435)
CIL Income	0		0	(21,146)	(21,146)
Council Tax	(4,760,770)		(4,760,770)	(4,760,770)	0
<u>Council Tax Net Expenditure</u>	0	0	0	(0)	(0)
Working Balance	March 2015	£ 3,974,518		£ 5,516,722	March 2016

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			2015-16		2015-16	
			Opening Balance	(T/fr to)	T/fr from	Closing Balance
44444	09401	PRINCESSHAY/MAJOR PROJECTS	(19,458.80)			(19,458.80)
44444	09403	PARTNERSHIP	(15,017.25)			(15,017.25)
44444	09413	CONSERVATION	(2,338.96)			(2,338.96)
44444	09416	VEHICLE LICENSING	(50,668.81)	(21,969.66)		(72,638.47)
44444	09417	S 57 GRANTS	(19,613.00)			(19,613.00)
44444	09419	SURE START	(20,000.00)			(20,000.00)
44444	09420	BUILDING CONTROL	(133,405.94)	(15,220.48)		(148,626.42)
44444	09422	LOCAL DEV FRAMEWORK	(56,861.16)		20,218.75	(36,642.41)
44444	09427	MALLINSON	(134,075.59)			(134,075.59)
44444	09428	OLD MILL	(5,498.86)			(5,498.86)
44444	09429	BOTTLE BANK	(42,468.08)			(42,468.08)
44444	09430	ISCA BOWLS	0.00			0.00
44444	09431	PLAY EQUIPMENT	(22,470.00)			(22,470.00)
44444	09434	SHIP	(7,438.00)			(7,438.00)
44444	09437	HOUSING ASSESSMENT	(1,244.51)			(1,244.51)
44444	09439	EXWICK LAND	(27,034.75)			(27,034.75)
44444	09444	Climate Change	(6,709.04)			(6,709.04)
44444	09448	DEVON HOME CHOICE	(74,053.37)	(6,861.82)		(80,915.19)
44444	09451	Strategic Review reserve	(50,568.40)			(50,568.40)
44444	09455	Habitat Assessment	(33,482.73)		2,500.00	(30,982.73)
44444	09456	Green Travel	(24,383.11)		4,417.34	(19,965.77)
44444	09457	AFU Archiving	(21,893.23)	(5,924.31)		(27,817.54)
44444	09458	Countryside Grants	(14,500.43)			(14,500.43)
44444	09459	Grass Cutting	(30,000.00)			(30,000.00)
44444	09460	Redundancy reserve	(391,889.06)	(130,724.20)	222,613.26	(300,000.00)
44444	09463	EBAC	(38,113.11)		32,806.79	(5,306.32)
44444	09464	Museum of the Year	(100,000.00)			(100,000.00)
44444	09465	RAMM Legal Costs	(440,101.44)		78,627.75	(361,473.69)
44444	09467	Natura 2000	(57,020.00)			(57,020.00)
44444	09468	Neighbourhood Plans	(36,552.69)			(36,552.69)
44444	09469	Contractors	(223,000.00)			(223,000.00)
44444	09471	NHB - Neighbourhood Plans	(20,000.00)	(20,000.00)		(40,000.00)
44444	09472	NHB - Ward Projects	(15,553.00)		3,377.00	(12,176.00)
44444	09473	NHB - Local Community Infra	(446,624.30)		86,180.68	(360,443.62)
44444	09474	NHB - MI & Unallocated	0.00	(250,000.00)		(250,000.00)
44444	09475	NHB - Active Exeter	(1,306,039.21)	(3,122,983.00)	3,429,022.21	(1,000,000.00)
44444	09476	NHB - Committed - Unalloc/MI	(258,969.19)		258,969.19	0.00
44444	09480	NNDR Deficit	(793,410.00)	(241,307.00)	728,032.00	(306,685.00)
44444	09485	Capital Fund	(700,000.00)	(25,000.00)		(725,000.00)
44444	09486	Local Welfare Support	0.00	(141,079.30)		(141,079.30)
44444	09487	Pinhoe Community Hub	0.00	(100,000.00)		(100,000.00)
44444	09488	Events Budgets	0.00	(425,000.00)		(425,000.00)
44444	09489	Riverside Dilapidations	0.00	(162,000.00)		(162,000.00)
			(5,640,456.02)	(4,668,069.77)	4,866,764.97	(5,441,760.82)

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		Funded by	£
Corporate			
IT Client	Maintenance requirements for the Portal	General Fund Balance	53,700
Legal	Legal Services - agency staff	General Fund Balance	39,130
Corporate Property	Asset Maintenance underspends	General Fund Balance	144,280
Corporate Property	Asset repairs underspends	General Fund Balance	182,020
Corporate Property	Property Maintenance Fund underspend	General Fund Balance	309,630
Corporate Property	Lease Requirements	General Fund Balance	35,000
Corporate Property	EPC funding	General Fund Balance	20,000
Corporate Property	City & Ward Grant Carry forwards	Earmarked Reserve	13,280
			797,040
Place			
Economy	Exeter City Futures	General Fund Balance	50,000
Economy	Innovation Exeter	General Fund Balance	59,239
Public Realm	Litter bins	General Fund Balance	21,630
Public Realm	Cathedral & Quay signage and Queen St furniture	General Fund Balance	5,000
Public Realm	CCTV Maintenance	General Fund Balance	10,000
Public Realm	Various budget underspends	General Fund Balance	213,900
Planning	Staffing budgets underspend	General Fund Balance	125,600
Planning	Vanguard work	Earmarked Reserve	50,000
Environment	Gates at St Thomas Arches	General Fund Balance	7,000
Environment	Review of food waste options	General Fund Balance	20,000
			562,369
People			
			0
General Fund Total			1,359,409
HRA	Mobile Working Project	HRA Working Balance	70,000
HRA	Low Maintenance & Painting underspend	HRA Working Balance	28,000
HRA Total			98,000
Overall Total			1,457,409

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EXETER CITY COUNCIL

REPORT TO:

SCRUTINY COMMITTEE – CORPORATE, EXECUTIVE &
COUNCIL

DATE OF MEETING:

CORPORATE – 29 JUNE 2016
EXECUTIVE – 12 JULY 2016
COUNCIL – 26 JULY 2016

REPORT OF:

ASSISTANT DIRECTOR FINANCE

TITLE:

TREASURY MANAGEMENT 2015-16

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To report on the current Treasury Management performance for the 2015-16 financial year and the position regarding investments and borrowings at 31 March 2016. The report is a statutory requirement and is for information only with no key decisions required.

2. Recommendations:

That Scrutiny and Executive support, and Executive recommend to the Council the Treasury Management report for the 2015-16 financial year.

3. Reasons for the recommendation:

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

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

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

5. Section 151 Officer comments:

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

6. What are the legal aspects?

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

7. Monitoring Officer's comments:

The Monitoring Officer notes that whilst CCLA Investment Management Ltd does not offer any form of rating or any financial support criteria. The Council's advisers Arlingclose Ltd are recommending investment in the CCLA Investment Fund, and given that, the Monitoring Officer has no issues with the report.

8. Report Details:

8.1 Interest Rate Prospects

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

Period	Bank Rate	20-year PWLB rate
June 2016	0.50	3.10
Sept 2016	0.50	3.15
Dec 2016	0.50	3.20
Mar 2017	0.50	3.25
June 2017	0.50	3.30
Sept 2017	0.50	3.35
Dec 2017	0.50	3.40
Mar 2018	0.50	3.45
June 2018	0.75	3.48
Sept 2018	0.75	3.50
Dec 2018	0.75	3.53
Mar 2019	0.75	3.55
June 2019	0.75	3.55

8.2 Treasury Management Strategy

The Council approved the 2016-17 Treasury Management Strategy at its meeting on 23 February 2016. The Council's stated investment strategy was to continue to hold only small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government's Debt Management Office and use short dated deposits (up to 3 months) which would be placed with Local Authorities.

The 2016-17 strategy requested approval to allow investments to be made in property funds. Such funds are pooled investment products and are accessed on a traded share basis rather than a fixed cash deposit sum. The investment in the property fund would be a long term commitment which will mean that there will be fluctuations in the return over the period of the investment.

The council envisaged placing investments of up to £5m with the Local Authorities Property Fund, (managed by the CCLA). An initial investment of £3m was made at the end of April. A further investment will be considered if cashflow allows. As at 1 May the total fund size was approximately £634 million with 159 investors using the fund. The dividend yield as at the end of April was 4.76%

The CCLA provide a range of pooled money market funds, some of which are created specifically for the public sector and cover asset classes such as Equities, Bond, Property or Cash. The property related asset class of the CCLA property fund has achieved a rate of return of approximately 7-8% over recent years.

Members will be assured that although the CCLA does not have any form of rating or financial support criteria awarded to it, something which is currently required for all other investments, the organisation was established in 1958 and has a strong approach to stewardship and ethics.

The council's treasury advisers, Arlingclose Ltd are entirely comfortable with, and recommend, the CCLA property fund and currently have numerous other clients who invest with the organisation.

The Council's stated borrowing strategy was to maintain short-term borrowing as long as rates remained low. The Council is currently borrowing over 1 or 2 year periods.

8.3 Net Interest Position

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

	Estimate	Actual	Variation
	£	£	£
Interest paid	106,000	56,494	(49,506)
Interest earned			
Temporary investment interest	(70,000)	(135,474)	(65,474)
Other interest earned	(1,000)	(820)	180
Science Park Loan	(2,600)	(25,850)	(23,250)
Less			
Interest to HRA	75,000	103,790	28,790
Interest to s106 agreements	40,000	71,102	31,102
Interest to Trust Funds	2,500	3,103	603
Lord Mayors Charity	100	32	(68)
GF interest (received) / paid out	44,000	15,883	(28,117)
Net Interest	150,000	72,377	(77,623)
Investment Gain – General Fund	0	(62,893)	(62,893)
Net Interest	150,000	9,484	(140,516)

8.4 The other interest earned relates to car loan repayments.

8.5 The HRA earned £103,790 interest on its balances. This is calculated on the following:

- HRA working balance;
- The balance of funds in the Major Repairs Reserve and Useable Capital Receipts.

However it has also had to pay interest on borrowing this year. As members will be aware, the Council has had to borrow £56,884,000 to buy itself out of the HRA subsidy scheme. Interest of £1,979,563 has been charged to the HRA to cover the interest payment. Additionally £6,789 has been charged on the borrowing used to fund the Council's Own Build properties.

9. Investment Interest

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

A number of Money Market Funds have been set up by the Council, which also allows immediate access to our funds and spreads risk as it is pooled with investments by other organisations and invested across a wide range of financial institutions.

9.1 The Council's investments as at 31 March 2016 are:

Money Market Funds

Amount	Investment	Interest rate
£2,000,000	Amundi Investors	0.47%
£4,000,000	Federated Investors UK	0.47%

Fixed Term Deposits

Amount	Investment	Interest rate	Maturity Date
£3,000,000	Thurrock Borough Council	0.38%	05/04/2016

Foreign Owned Banks

Amount	Investment	Interest rate	Maturity Date
£3,000,000	United Overseas Bank	0.49%	08/04/2016

This investment was reinvested with United Overseas Bank for a period of 2 months at a rate of 0.45% on 8 April 2016 and it was reinvested with the same bank for a further 3 months on 8 June 2016 at a rate of 0.50%.

Building Society

Amount	Investment	Interest rate	Maturity Date
£2,000,000	Nationwide Building Society	0.50%	08/04/2016

This investment was reinvested with Nationwide Building Society for a period of 3 months at a rate of 0.50%.

10. Borrowings

As at 31 March 2016 the Council has short term borrowing of £10m, long term borrowing remains at £56.884m. Details of the loans are set out in 10.1.

Interest rates remain at record low levels and indications are that they will remain at this level for the foreseeable future. The borrowing rates from other Local Authorities for one year money are around 0.60% – 0.70%.

Amount	Lender	Interest rate	Date of repayment
£10,000,000	Oxfordshire County Council	0.98%	01/02/2018
£56,884,000	PWLB	3.48%	28/03/2062

11. Future Position

As interest rates remain very low, the Council will continue to utilise short term borrowing to manage its cashflow. Current rates for borrowing are between 0.60% and 0.70% for up to 1 year and the Council will continue to borrow for 1 or 2 year periods.

11.1 The Council's five Money Market Funds which are AAA rated, currently offer rates between 0.45% and 0.48%, the rates are liable to fluctuation in the year. The call accounts offer between 0.30% and 0.40% for the average annual balance.

- 11.2 The short term investments that are made through the call accounts and money market funds ensure cash can be accessed immediately. This has an ongoing impact on returns but increases the security of our cash.
- 11.3 We will also lend, when possible, to institutions on the Council's counterparty list which includes other Local Authorities, UK and Foreign owned banks and the Debt Management Office. However the rates received are between 0.25% and 0.50%, which will have an adverse impact on the interest earned.
- 11.4 Since 1 April 2015 the Council has opened an additional Money Market Fund account with Amundi Investors which is providing a return in the region of 0.45%.
- 11.5 The interest rate on the call account with Handelsbanken has reduced from the opening rate of 0.50% to 0.35% and rate payable on the Barclays call account will reduce to 0.25% from 0.30% with effect from June 2016. The council is exploring alternative investment options in order to maximise investment income.
- 12. How does the decision contribute to the Council's Corporate Plan?**
Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.
- 13. What risks are there and how can they be reduced?**
The council uses treasury management advisors who continually provide updates on the economic situation, interest rates and credit ratings of financial institutions. They also provide a counterparty list which details the financial institutions which meet the council's treasury management strategy.
- 14. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?**
No impact.
- 15. Are there any other options?**
No.

Dave Hodgson
Assistant Director Finance

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report: None

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

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Name	COUNTRY	Moody's Short Term Rating	Fitch Short Term Rating	Banking Group	Maximum Recommended Duration
COMMONWEALTH OF AUSTRALIA	AU		F1+		
AUST AND NZ BANKING GROUP	AU	P-1	F1+		6 Months
COMMONWEALTH BANK OF AUSTRAL	AU	P-1	F1+		6 Months
NATIONAL AUSTRALIA BANK LTD	AU	P-1	F1+	National Australia Bank Group	6 Months
WESTPAC BANKING CORP	AU	P-1	F1+		6 Months
GOVERNMENT OF CANADA	CA		F1+		
BANK OF MONTREAL	CA	P-1	F1+		13 Months
BANK OF NOVA SCOTIA	CA	P-1	F1+		13 Months
CAN IMPERIAL BK OF COMMERCE	CA	P-1	F1+		13 Months
ROYAL BANK OF CANADA	CA	P-1	F1+		13 Months
TORONTO-DOMINION BANK	CA	P-1	F1+		13 Months
UNITED KINGDOM	GB		F1+		
BANK OF SCOTLAND PLC	GB	P-1	F1	Lloyds Banking Group	13 months
LLOYDS BANK PLC	GB	P-1	F1		
BARCLAYS BANK PLC	GB	P-1	F1		100 Days
HSBC BANK PLC	GB	P-1	F1+	HSBC Group	13 months
BUILDING SOCIETIES					
NATIONWIDE BUILDING SOCIETY	GB	P-1	F1		6 Months
FEDERAL REPUBLIC OF GERMANY	GE		F1+		
LANDESBANK HESSEN-THURINGEN	GE	P-1	F1+		6 months
KINGDOM OF THE NETHERLANDS	NE	P-1	F1+		
COOPERATIEVE RABOBANK UA	NE	P-1	F1+		13 months
ING BANK NV	NE	P-1	F1		100 Days
REPUBLIC OF SINGAPORE	SI		F1+		
DBS BANK LTD	SI	P-1	F1+		13 Months
OVERSEA-CHINESE BANKING CORP	SI	P-1	F1+		13 Months
UNITED OVERSEAS BANK LTD	SI	P-1	F1+		13 Months
KINGDOM OF SWEDEN	SW	P-1	F1+		
NORDEA BANK AB	SW	P-1	F1+		13 months
SVENSKA HANDELSBANKEN-A SHS	SW	P-1	F1+		13 months
UNITED STATES OF AMERICA	US		F1+		
BANK OF NEW YORK MELLON	US	P-1	F1+		-

UNITED KINGDOM - OTHER INSTITUTIONS					
DEBT MANAGEMENT OFFICE	GB		F1+		UK government - DMADF Account

Money Market Fund	Place of Domicile	Moody's Long-Term Ratings	Fitch Long-Term Rating	Rate
ABERDEEN ASSET MANAGEMENT	LX	Aaa-mf	AAAmmf	0.47%
AMUNDI INVESTORS	LX	-	AAAmmf	0.47%
AVIVA INVESTORS	IR	Aaa-mf	-	0.42%
BLACKROCK	IR	Aaa-mf	-	0.48%
BNP PARIBAS ASSET MANAGEMENT	LX	Aaa-mf	-	0.52%
BNY MELLON ASSET MANAGEMENT	IR	Aaa-mf	-	0.45%
CCLA - PSDF	GB	-	AAAmmf	0.54%
DB ADVISORS (DEUTSCHE)	IR	Aaa-mf	-	0.36%
FEDERATED INVESTORS (UK)	GB	-	AAAmmf	0.47%
FIDELITY INTERNATIONAL	IR	Aaa-mf	-	0.44%
GOLDMAN SACHS ASSET MANAGEMENT	IR	Aaa-mf	AAAmmf	0.44%
HSBC ASSET MANAGEMENT	IR	Aaa-mf	-	0.41%
STANDARD LIFE (FORMERLY IGNIS) LIQUIDITY FUNDS	IR	-	AAAmmf	0.45%
INSIGHT INVESTMENTS	IR	-	AAAmmf	0.41%
INVESCO AIM	IR	Aaa-mf	AAAmmf	0.49%
J.P.MORGAN ASSET MANAGEMENT	LX	Aaa-mf	AAAmmf	0.40%
SOCIETE GENERALE	IR	-	AAAmmf	0.39%
MORGAN STANLEY INVESTMENT MANAGEMENT	IR	Aaa-mf	AAAmmf	0.47%
NORTHERN TRUST ASSET MANAGEMENT	IR	Aaa-mf	-	0.41%
STATE STREET GLOBAL ADVISORS ASSET MANAGEMENT	IR	Aaa-mf	AAAmmf	0.42%
ABERDEEN (FORMERLY SWIP) ASSET MANAGEMENT	IR	Aaa-mf	AAAmmf	0.43%
AVIVA INVESTORS GOV	IR	Aaa-mf	-	0.49%
BLACKROCK GOV	IR	Aaa-mf	-	0.47%
GOLDMAN SACHS ASSET MANAGEMENT GOV	IR	Aaa-mf	AAAmmf	0.50%
JP MORGAN ASSET MANAGEMENT GOV	LX	Aaa-mf	AAAmmf	0.49%
NORTHERN TRUST ASSET MANAGEMENT GOV	IR	-	-	0.46%

REPORT TO: CORPORATE SERVICES SCRUTINY COMMITTEE
Date of Meeting: 29 JUNE 2016
Report of: Assistant Director Finance
Title: Corporate Services Final Accounts 2015-16

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 for the financial year up to 31 March 2016 in respect of Corporate Services Scrutiny Committee.

2. Recommendations:

That Members of Corporate Services Scrutiny Committee assure themselves that Officers review areas with significant variances and undertake the necessary actions to address the issues that the variances may cause.

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 Corporate Services Scrutiny Committee and this is the final report for 2015-16.

4. What are the resource implications including non financial resources

The financial resources required to deliver Corporate Services during 2015-16 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 Corporate Services Scrutiny Committee, as at 31 March 2016, ahead of inclusion in the Council's annual Statement of Accounts.

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:

The report raises no issues for the Monitoring Officer.

8. Report Details:

Corporate Services Scrutiny Committee Final Accounts to 31 March 2016

8.1 Key Variations from Budget

The final actual outturn has now been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets.

The total variance for the year shows a surplus of £179,416 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 8.19% from the revised budget.

The variations by management are detailed in the table in 8.3. However, a significant element of the underspend is in respect of the asset improvement and maintenance and property maintenance fund budgets. 8.2 provides detailed reasons for the underspend.

8.2 Budgets in respect of asset maintenance and improvement and property maintenance are included in various management units in this, and other committees. Elements of these budgets are underspent by a total of £635,930 of which £393,840 sits within this committee. The points below provide details of the underspend:

- Key initial objectives of the Corporate Property restructure were to mitigate inefficient spending. As a result, only priority works have been undertaken in year. With the restructure now partially implemented, correctly prioritised spend has commenced so a more realistic spend profile will be seen from this point forward.

To ensure that works postponed during this phase can be delivered a request will be made to roll forward the £326,300 in order to deliver a variety of schemes such as Civic Centre toilet refurbishment; Car Park Structural Repairs; Corn Exchange staff toilet improvements; and Civic Centre heating system component overhaul and optimisation.

- The budget for historic building decoration works and property condition surveys has not been spent in 15/16. The works were delayed due to ensuring the successful completion of the Livestock Centre re-roofing project. The schemes are in the process of being delivered and therefore, a request will be made to roll forward £309,631.

8.3 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Estates Services	(£89,441)	<ul style="list-style-type: none"> • Non Domestic Rates expenditure exceeded the budget. • Income from the property portfolio was 2% less than budgeted. South Street, the Guildhall shopping centre and Cowick Street were all more than 10% below the respective annual budgets (Total - £146k). • Pay budget underspent. • Property insurance costs and capital charges are less than the annual budget. • Asset Improvement and Maintenance contingency and lease repair budgets are underspent (Total - £121k). A request to carry forward an element of the unspent lease repairs budget will be made. • Support service recharges to the management unit are less than the budget.
83C5	Corporate Property Maintenance	(£334,490)	<ul style="list-style-type: none"> • The Property Maintenance Fund budget is underspent (£324k). A request to carry forward the budget underspend will be made. • Pay budgets were underspent due to vacancies. • Support service recharges to the management

MU Code	Management Unit	Over / (Underspend)	Detail
			unit were more than the budget.
86A2	Elections & Electoral Registration	£57,740	<ul style="list-style-type: none"> • Pay budgets were overspent. • Additional costs were incurred due to the City Council By-Election. • Expenditure on sub-contractors were more than the budget. • Additional costs were incurred due to the work required on the boundary changes.
86A6	Grants/Cent Supp/Consultation	£130,582	<ul style="list-style-type: none"> • Pay and grants budgets overspent. • New Homes Bonus funding an element of the grants overspend. • Consultants' fees expenditure exceeded the budget. • Support service recharges to the management unit were more than the budget.
CENTRAL SUPPORT SERVICE ACCOUNTS			<p>The management units listed below are recharged out across the whole of the Council and are either brought back to zero cost or have balances left that are transferred to management unit 86A7 above. Before this took place the variances that occurred are noted below:</p>
86B1	Financial Services	(£33,272)	<ul style="list-style-type: none"> • Underspend on pay budgets • Additional commission received for insurance of commercial properties
86B3	Human Resources	(£146,759)	<ul style="list-style-type: none"> • Underspend on pay budgets (£48k) • Underspend on training budgets (£68k) • Support service recharges for Civic Centre accommodation, Legal Services and Internal Audit less than the budgets
86B4	Legal Services	(£46,490)	<ul style="list-style-type: none"> • Underspend on pay budgets
86B5	Corporate Customer Services	(£99,374)	<ul style="list-style-type: none"> • Underspend on utilities and Asset Improvement and Maintenance budgets in respect of the Civic Centre (Total - £72k). • Pay budgets underspent. • Additional rental and solar panel income received in respect of Civic Centre (Total - £35k). • Support service recharges were more than the budgets and capital charges exceeded the annual budget.
86B6	IT Services	£58,919	<ul style="list-style-type: none"> • This overspend is more than compensated by a £82k refund from Strata in respect of the Council's share of the savings achieved

MU Code	Management Unit	Over / (Underspend)	Detail
			during 2015/16. The refund is held within a separate management unit for this Committee.
83B8	Procurement	£64,385	<ul style="list-style-type: none"> • Additional agency costs

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

Corporate Services Scrutiny Committee contributes to two key purposes, as set out in the Corporate Plan; maintain our property assets of the city and a well run Council.

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

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

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

No impact

12. Are there any other options?

No

DAVE HODGSON

Assistant Director Finance

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)

Room 2.3

(01392) 265275

**CORPORATE SERVICES SCRUTINY COMMITTEE
OUTTURN**

APRIL 2015 TO MARCH 2016

CODE		APPROVED BUDGET	OUTTURN	OUTTURN VARIANCE	QTR 3 FORECAST
		£	£	£	£
83A1	PROPERTY & ESTATES SERVICES	(2,483,380)	(2,572,821)	(89,441)	23,840
83C4	PROPERTIES	(4,260)	(14,164)	(9,904)	8,740
83C5	CORPORATE PROPERTY MAINTENANCE	334,490	0	(334,490)	(308,900)
83C6	CORPORATE ENERGY TEAM	0	0	0	13,610
86A2	ELECTIONS & ELECTORAL REG	258,600	316,340	57,740	20,450
86A3	CORPORATE	597,680	622,482	24,802	(28,040)
86A4	CIVIC CEREMONIALS	243,180	255,614	12,434	4,380
86A5	DEMOCRATIC REPRESENTATION	701,630	700,347	(1,283)	(4,200)
86A6	GRANTS/CENT SUPP/CONSULTATION	815,240	945,822	130,582	69,350
86A7	UNAPPORTIONABLE OVERHEADS	1,725,300	1,745,445	20,145	8,660
86B1	FINANCIAL SERVICES	755,380	722,108	(33,272)	(39,820)
86B2	INTERNAL AUDIT	134,380	133,975	(405)	1,480
86B3	HUMAN RESOURCES	729,480	582,721	(146,759)	(50,000)
86B4	LEGAL SERVICES	501,610	455,120	(46,490)	(36,240)
86B5	CORPORATE SUPPORT	1,214,480	1,115,106	(99,374)	(94,620)
86B6	IT SERVICES	1,879,550	1,938,469	58,919	0
86B7	STRATEGIC MANAGEMENT	352,400	355,929	3,529	0
86B8	PROCUREMENT	102,180	166,565	64,385	34,320
	NET EXPENDITURE	7,857,940	7,469,057	(388,883)	(376,990)
	REVERSE OUT CENTRAL SUPPORT SERVICES WHICH ARE RECHARGE	5,669,460	5,469,993	(199,467)	(184,880)
	ADJUSTED NET EXPENDITURE	2,188,480	1,999,064	(189,416)	(192,110)
	TRANSFERS TO / (FROM) EARMARKED RESERVES				
	86A6 - GRANTS/CENT SUPP/CONSULTATION		(10,000)		
	REVENUE CONTRIBUTION TO CAPITAL				
	86B5 - CORPORATE SUPPORT		20,000		
	OUTTURN FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES		2,009,064		
	REVISED BUDGETS		2,188,480		
	OUTTURN VARIANCE AFTER TRANSFERS TO/FROM RESERVES & CONTRIBUTIONS TO CAPITAL			(179,416)	

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REPORT TO: CORPORATE SERVICES SCRUTINY COMMITTEE
Date of Meeting: 29 June 2016
Report of: Corporate Manager Democratic and Civic Support
Title: Members' Allowances and Expenses Paid 2015/16

Is this a Key Decision?

No

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

Is this an Executive or Council Function?

Council function

1. What is the report about?

To report the allowances paid to Elected Members in 2015/16.

2. Recommendation:

That Members of the Scrutiny Committee Resources note the allowances paid and expenses claimed by Members in 2015/16.

3. Reasons for the recommendation:

The Council has a statutory obligation to publish all allowances paid, and expenses claimed by Members each financial year.

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

There is an existing budget allocation to meet the amount paid in Members' Allowances. Until recently, the expenses claimed were not administered centrally, therefore making it difficult to fully understand the amount being claimed each year. This has now been rectified, with all expense claims being processed via the Democratic Services team.

5. Section 151 Officer comments:

The report reflects payments made during the 2015/16 financial year and they remained within the budget set.

6. What are the legal aspects?

The Members Allowances Scheme is governed by the Local Government and Housing Act 1989, and in particular the details are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003. Publication of the details contained in this report meet these requirements.

7. Monitoring Officer's comments:

The report raises no issues for the Monitoring Officer.

8. Report details:

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to publish the total sum of each of the following allowances paid to each recipient in the previous financial year:

- (a) basic allowance
- (b) special responsibility allowance
- (c) dependants' carers' allowance
- (d) travelling and subsistence allowance; and
- (e) co-optees' allowance and
- (f) the Lord Mayor and Deputy Lord Mayor's expenses allowance.

A schedule of allowances made and expenses claimed for 2015/16 is attached to this report.

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

- Ensuring a well run Council.
- To invoke public confidence that the Council's operation in relation to Members are transparent.

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

The risks are reduced by the publication of this annual report.

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?

There is no impact.

12. Are there any other options?

Not applicable.

**John Street,
Corporate Manager, Democratic Services and Civic Support**

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

Background papers used in compiling this report:-

None

Contact for enquires: Democratic Services (Committees), Room 2.3, 01392 265115

As required by the Local Authorities (Members) 2003 Regulations 2003 the total amount of Basic, Special Responsibility and Travel & Subsistence Allowances paid to each Member (including part payment to those Members who ceased to be Councillors during the year) for the year ending 31 March 2016 are given below. For details of the Special Responsibility Allowances please refer to the Council's website - www.exeter.gov.uk

Initial	Councillor Surname	Basic Allowance	Special Responsibility Allowances	Travel & Subsistence Expense Claims	Carers	Total
M	Baldwin	£4,575.00	£614.92			£5,189.92
P	Bialyk	£4,575.00	£4,575.00			£9,150.00
S	Bowkett	£1,217.54				£1,217.54
R	Branston	£4,575.00				£4,575.00
S	Brimble	£4,575.00	£3,774.38			£8,349.38
S	Brock	£4,575.00				£4,575.00
P	Bull	£4,575.00	£3,774.38	£43.25		£8,392.63
C	Buswell	£4,070.77		£93.40		£4,164.17
M	Choules	£4,575.00				£4,575.00
M	Clark	£516.53				£516.53
R	Crew	£4,575.00				£4,575.00
C	Dawson	£516.53	£387.37			£903.90
R	Denham	£4,575.00	£8,006.04	£476.70		£13,057.74
J	Donovan	£2,211.25				£2,211.25
P	Edwards	£4,575.00	£14,868.96	£906.60		£20,350.56
O	Foggin	£4,575.00	£3,972.38			£8,547.38
A	Fullam	£516.53	£258.33			£774.86
S	George	£4,575.00		£94.30		£4,669.30
R	Hannaford	£4,575.00	£8,006.04	£452.25		£13,033.29
K	Hannan	£4,070.77				£4,070.77
J	Harvey	£4,070.77		£13.20		£4,083.97
D	Henson	£4,575.00	£614.92			£5,189.92
P	Holland	£4,575.00				£4,575.00
S	Laws	£4,575.00				£4,575.00
A	Leadbetter	£4,575.00	£2,288.04			£6,863.04
R	Lyons	£4,575.00				£4,575.00
K	Mitchell	£516.53				£516.53
H	Morris	£4,566.61	£5,380.40			£9,947.01
E	Morse	£4,070.77	£4,447.68	£14.50		£8,532.95
L	Mottram	£4,575.00				£4,575.00
R	Newby	£4,575.00	£153.76			£4,728.76
K	Owen	£4,575.00	£8,006.04			£12,581.04
H	Packham	£4,070.77				£4,070.77
O	Pearson	£4,575.00	£8,006.04	£188.80		£12,769.84
P	Prowse	£0.00	£614.92	£184.15		£799.07
C	Raybould	£4,575.00				£4,575.00
L	Robson	£4,575.00	£993.28			£5,568.28
G	Sheldon	£4,575.00	£3,280.48			£7,855.48

N	Shiel	£4,575.00	£614.92			£5,189.92
R	Spackman	£4,575.00				£4,575.00
R	Sutton	£4,575.00	£8,006.04	£191.95		£12,772.99
G	Tippins	£516.53				£516.53
C	Thompson	£2,902.42				£2,902.42
N	Vizard	£4,070.77	£1,986.66			£6,057.43
T	Wardle	£4,575.00	£897.78			£5,472.78
M	Williams	£4,575.00				£4,575.00
J	Winterbottom	£516.53				£516.53
		£175,671.62	£93,528.76	£2,659.10	£0.00	£271,859.48