

## **PEOPLE SCRUTINY COMMITTEE**

Date: Thursday 2 November 2017

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

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

If you have an enquiry regarding any items on this agenda, please contact Howard Bassett, Democratic Services Officer (Committees) on 01392 265107.

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

### *Membership -*

Councillors Wardle (Chair), Foale (Deputy Chair), Branston, Foggin, Hannan, Hannaford, Holland, Morris, Thompson and Vizard

## **Agenda**

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

#### **1 Apologies**

To receive apologies for absence from Committee members.

#### **2 Minutes**

To sign the minutes of the meeting held on 7 September 2017.

#### **3 Declaration of Interests**

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

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

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

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

**5 Questions from the Public under Standing Order 19**

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

**6 Questions from Members of the Council under Standing Order 20**

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

**ITEMS FOR DISCUSSION**

**7 Housing Revenue Account - Budget Monitoring to September 2017**

To consider the report of the Chief Finance Officer

(Pages 5 -  
22)

**8 People - Budget Monitoring to September 2017**

To consider the report of the Chief Finance Officer

(Pages 23  
- 32)

**ITEMS FOR CONSIDERATION BY THE EXECUTIVE**

**9 Exeter City Council Tax Support Scheme 2018/19**

To consider the report of the Director (BA)

(Pages 33  
- 50)

**ITEM FOR DISCUSSION**

**10 Topic Ideas for Task and Finish Groups**

## ITEM FOR INFORMATION ONLY

### 11 Exeter Health and Wellbeing Board - Minutes of the meeting held on 12 September 2017

(Pages 51  
- 54)

#### Date of Next Meeting

The next scheduled meeting of the People Scrutiny Committee will be held on **Thursday** 4 January 2018 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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**Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265107.**

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**REPORT TO:** SCRUTINY COMMITTEE - PEOPLE  
**DATE OF MEETING:** 2 November 2017  
**REPORT OF:** Chief Finance Officer  
**TITLE:** Housing Revenue Account Budget Monitoring – 2<sup>nd</sup> Quarter 2017/18

**Is this a Key Decision?**

No

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

No

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

To advise Members of any major differences, by management unit, between the approved budget and the outturn forecast at the second quarter stage of the financial year in respect of the Housing Revenue Account and the Council's new build schemes.

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

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

**2. Recommendations:**

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

**3. Reasons for the recommendation:**

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep an HRA in accordance with proper accounting practices and to review the account throughout the year. This is the second quarterly financial update in respect of the HRA for 2017-18.

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

The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2017-18 are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of the Housing Revenue Account at the second quarter stage of the financial year.

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

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

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

**7. Monitoring Officer Comments:**

This report raises no concerns for the Monitoring Officer.

**8. Report Details:**

**HRA BUDGET MONITORING – 2<sup>nd</sup> QUARTER**

**8.1 Projected Surplus/Deficit**

During this period the total budget variances indicate that there will be a net surplus of £928,511 in 2017-18. This represents a significant movement of £3,416,126 compared to the revised budgeted deficit of £2,487,615 for 2017-18 with, most notably, £2,700,000 attributable to delays with the St Loyes Extra Care scheme. The key budget deviations are explained below. Please also refer to Appendix 2.

<b>Budget Heading</b>	<b>Forecast Budget Variance</b> <b>(Under)/Overspend</b>	<b>Explanation</b>
Budgeted Deficit	£2,303,775	
Supplementary budgets	£183,840	£20,000 for mobile working, £20,000 for consultancy re operating models, £12,000 for stock condition survey, £60,000 for low maintenance and painting, £46,000 for tree inspections and remedial works and £25,840 for water system risk assessments.  Executive approved 11 July 2017
<b>Revised Budgeted Deficit</b>	<b>£2,487,615</b>	
Budget variances reported at 1 <sup>st</sup> Quarter	(£3,212,950)	Scrutiny Committee – People 7 September 2017
<b>Budget variances to be reported at 2<sup>nd</sup> Quarter:</b>		
Management Costs	(£48,100)	<ul style="list-style-type: none"> <li>Training in respect of the new Housing Management System is due to take place next financial year prior to the system going live in July 2019. A saving is therefore reported, as the cost will be factored into the budgets for 2018-19.</li> <li>The biannual STAR survey (satisfaction survey of tenants and residents) will be undertaken in early 2018-19; a minor delay due to appointing to the vacant Performance and Resources Officer post.</li> </ul>
Housing Customers	(£13,200)	<ul style="list-style-type: none"> <li>A saving is forecast in respect of communal lighting electricity costs, partly due to the</li> </ul>

		extent of credit notes for overestimated accounts.
Sundry Land Maintenance	(£75,210)	<ul style="list-style-type: none"> <li>It is anticipated that slippage will occur in respect of works to HRA trees. The undertaking of low level inspections and remedial works are pending appointment of a dedicated Tree Officer for Housing, within Public Realm, on a 12 month fixed term contract, as approved by Executive in January 2017. In the meantime, works to trees identified as 'at risk' are being prioritised to deal with both diseased trees and those in natural decline along with those in unsuitable locations.</li> </ul>
Repairs and Maintenance Programme	(£80,000)	<ul style="list-style-type: none"> <li>Savings are forecast following the letting of a new contract for monthly emergency light testing and weekly fire alarm testing.</li> <li>A saving is forecast in respect of the contingency sum for larger general reactive repairs (&gt;£1,000).</li> </ul>
Capital Charges	£64,684	<ul style="list-style-type: none"> <li>Depreciation charges are higher than budgeted due to a rise in the valuation of council dwellings.</li> </ul> <p>Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt.</p>
Housing Assets	(£31,350)	<ul style="list-style-type: none"> <li>The decant of tenants in ten LAINGS properties to enable a demolish and re-build scheme to be undertaken are not expected to take place this financial year. Higher than budgeted tender prices have necessitated an options appraisal and caused a delay in the project timetable. A saving is reported in 2017-18, as the cost of decanting tenants in 2018-19 will be factored into next year's budgets. A detailed report is planned to be presented to committee in respect of the LAINGS project.</li> </ul>
Rents	(£20,000)	<ul style="list-style-type: none"> <li>A lower level of voids in respect of garages is expected to result in additional rental income and a reduction in the waiting list.</li> </ul>
<b>Total budget variances</b>	<b>(£3,416,126)</b>	
<b>Projected HRA surplus</b>	<b>(£928,511)</b>	Transfer to HRA Working Balance

## 8.2 Impact on HRA Working Balance

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

The forecast balance, as at 31 March 2018, is set out below:

<b>Movement</b>	<b>2017/18</b>
Opening HRA Working Balance, as at 1/4/17	£8,567,454
Forecast surplus for 2017/18	£928,511
Balance resolved to be retained (HRA contingency)	(£4,000,000)
<b>Balance Available, as at 31/3/18</b>	<b>£5,495,965</b>

## 8.3 HRA Available Resources over the Medium Term

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

Appendix 3 sets out the total forecast HRA available resources up to 2020/21, which reflects this Government policy.

## 8.4 HRA Capital Programme

The 2017-18 HRA Capital Programme was last reported to Scrutiny Committee – People on 7 September 2017. Since that meeting the following changes have been made that have reduced the programme.

<b>Description</b>	<b>2017/18</b>	<b>Approval / Funding</b>
<b>HRA Capital Programme</b>	<b>£19,999,900</b>	
Budgets deferred to future financial years	(£7,454,091)	Executive 10 October 2017
Savings declared	(£938,184)	Executive 10 October 2017
Acquisition of 28 Gabriel Court	£115,000	Delegated Powers 20 September 2017
<b>Revised HRA Capital Programme</b>	<b>£11,722,625</b>	

## 8.5 Performance

The current HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend of £10,429,195 compared to the £11,722,625 revised programme, a decrease of £1,303,430.

## 8.6 Capital Budget Variances

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

<b>Scheme</b>	<b>Forecast Overspend / (Underspend)</b>	<b>Explanation</b>
Re-rendering	£6,000	A minor overspend following settlement of the 2015/16



		final account.
Energy Conservation	(£90,000)	It was originally planned for external wall insulation works to be undertaken, but following an options appraisal it was identified that cavity filling was more appropriate, resulting in significant savings.
Other Works	(£50,000)	This is a capital contingency budget, which is no longer required. Approval will be sought for any capital expenditure that falls outside planned works, in accordance with proper practice.
<b>Scheme</b>	<b>Budget to be deferred to 2018/19</b>	<b>Explanation</b>
Programmed Re-roofing	£100,000	Vacant Surveyor posts has placed a constraint on delivery of the programme of re-roofing houses and it is currently projected that works amounting to £100k will be deliverable.
Energy Conservation	£100,000	As reported above, an options appraisal of the optimum system of insulation has been undertaken which has led to delays. It is anticipated that works will commence next financial year.
Structural Repairs	£119,430	Following structural monitoring it has been identified that underpinning works are required at Redlands Close. These works will be scheduled for 2018-19 to allow time for any necessary tenant decants.
Rennes House Structural Works	£500,000	The latest pre-tender estimates for the major refurbishment of Rennes House indicate a budget shortfall of £1.3m. Significant spend of the budget will be delayed until approval has been secured for the latest project costings.
Electrical Re-wiring – Communal Areas	£300,000	Plans to upgrade emergency lighting in communal areas has been identified as a priority for 2017-18, other remedial works will be

		undertaken in 2018-19 due to officer capacity.
Whipton Barton House Water Mains	£50,000	It was originally planned that a separate water mains would be provided to Council owned bungalows, however the site is subject to an Estate Regeneration appraisal. It is therefore considered prudent to defer capital spend until the future of the site is known.
Estate Regeneration	(£133,410) – Heavitree £133,410 – South St	In March 2017 the Council received £1.295m Estate Regeneration funding from the Homes & Communities Agency. The grant is to be used across four HRA sites and providing the project deliverables set out in the grant bid are met, the grant funding can be applied fluidly across the sites. The overall forecast costs remain at £1.295m.

## 9. COUNCIL OWN BUILD BUDGET MONITORING – 2<sup>nd</sup> QUARTER

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

### 9.1 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net surplus of £42,970 achieved in 2017-18, which will be transferred to the COB working balance. This represents an increase of £7,000.

MU Code	Management Unit	Budget Variance Overspend / (Underspend)	Explanation
85B5	COB	(£7,000)	Lower management costs due to vacant posts combined with lower maintenance costs.  The recovery of lost rental income and additional costs in previous financial years whilst snagging issues were resolved at Knights Place form part of a claim to the main contractor and have been highlighted as an area of budgetary risk.

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

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

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

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. Appendix 1 sets out the risks identified, as at June.

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

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

No impact

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

No

**Chief Finance Officer**

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

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

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

(01392) 265275

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**AREAS OF BUDGETARY RISK****APPENDIX 1**

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

<b>Budget Title</b>	<b>Approved Budget</b>	<b>Risk</b>
General Maintenance	£1,770,000 (revenue)	The volatility of the level of reported faults due to factors beyond the control of the Council, for example adverse weather conditions represent a budgetary risk. The impact of property inspections undertaken by the Housing Customer Team may also lead to the identification of additional repairs.
Repairs to Void Properties	£1,172,910 (revenue)	Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk.
Rental Income from Dwellings	£18,810,000 (revenue)	Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income. However, rental income after the first 3 months is currently in line with budget expectations.
LAINGS Refurbishment	£640,000 (capital)	The cost of demolishing and re-building the defective LAINGS properties is higher than currently budgeted following the outcomes of a tender process. Capital spend forecasts currently assumes a start on site in January 2018, but the contract cannot be awarded until approval for the necessary budget increase has been secured. Spend of the 2017-18 budget is therefore a budgetary risk.
Knights Place	No budget (capital)	Significant works have been required to resolve water penetration issues at Knights Place and the costs and associated lost rental income form part of a claim to the main contractor.

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## HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2017-18

## 2nd QUARTER

ACTUAL TO DATE				YEAR END FORECAST			
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	Qrt 2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
312,489	227,549	(84,940)	85A1 MANAGEMENT	1,060,395	(32,700)	(80,800)	979,595
573,604	566,794	(6,810)	85A2 HOUSING CUSTOMERS	1,299,180	39,200	26,000	1,325,180
185,932	99,609	(86,323)	85A3 SUNDRY LAND MAINTENANCE	538,660	(9,000)	(84,210)	454,450
3,142,533	2,196,840	(945,693)	85A4 REPAIRS & MAINTENANCE PROGRAMME	6,148,870	(275,000)	(355,000)	5,793,870
0	0	0	85A5 REVENUE CONTRIBUTION TO CAPITAL	6,496,640	(2,700,000)	(2,700,000)	3,796,640
2,935,930	3,000,614	64,684	85A6 CAPITAL CHARGES	2,935,930	0	64,684	3,000,614
604,560	512,869	(91,691)	85A7 HOUSING ASSETS	1,445,000	(155,450)	(186,800)	1,258,200
(9,647,910)	(9,522,081)	125,829	85A8 RENTS	(19,295,820)	0	(20,000)	(19,315,820)
0	0	0	85B2 INTEREST	1,858,760	(80,000)	(80,000)	1,778,760
			85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(2,487,615)	3,212,950	3,416,126	928,511
			Net Expenditure	0	0	0	0
			Working Balance 1 April 2017	8,567,454		31 March 2018	9,495,965

Page 15

## COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	Qrt 2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
4,671	3,682	(989)	H005 MANAGEMENT	14,120	0	(2,000)	12,120
(5,244)	(5,643)	(399)	H006 ROWAN HOUSE	(10,480)	0	0	(10,480)
(27,266)	(35,521)	(8,255)	H007 KNIGHTS PLACE	(59,550)	0	(5,000)	(64,550)
0	0	0	H008 INTEREST	6,980	0	0	6,980
0	0	0	H009 CAPITAL CHARGES	12,960	0	0	12,960
			H010 MOVEMENT TO/(FROM) WORKING BALANCE	35,970	0	7,000	42,970
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance 1 April 2017</b>	<b>208,097</b>	<b>31 March 2018</b>	<b>31 March 2018</b>	<b>251,067</b>

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APPENDIX 3

HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2017-18 £	2018-19 £	2019-20 £	2020-21 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>					
Usable Receipts Brought Forward					5,607,226
Major Repairs Reserve Brought Forward					8,719,199
Other HRA Sales	227,364	0	0	0	227,364
RTB sales	1,250,000	500,000	500,000	400,000	2,650,000
Surrender back to DCLG - pending St Loyes financing decision	(2,870,000)	0	0	0	(2,870,000)
Major Repairs Reserve	3,000,614	3,000,614	3,000,614	3,000,614	12,002,456
Revenue Contributions to Capital	3,796,642	7,196,555	2,500,000	2,500,000	15,993,197
External contributions	45,470	434,000	160,259	0	639,729
Grant funding - HCA grant (St Loyes)	0	1,490,000	0	0	1,490,000
Grant funding - Estate Regeneration Funding	1,295,000	0	0	0	1,295,000
Grant funding - Zero Energy Buildings Project	0	216,000	0	0	216,000
Commutated sums	556,840	4,510,711	859,669	155,976	6,083,196
<b>Total Resources available</b>	<b>7,301,930</b>	<b>17,347,880</b>	<b>7,020,542</b>	<b>6,056,590</b>	<b>52,053,367</b>
<b>CAPITAL PROGRAMME</b>					
HRA Capital Programme	11,722,625	24,332,455	7,965,821	6,053,793	50,074,694
Quarter 2 - Overspends / (Savings)	(134,000)				(134,000)
Quarter 2 - Slippage / Re-profiling	(1,169,430)	1,169,430			0
<b>Total Housing Revenue Account</b>	<b>10,419,195</b>	<b>25,501,885</b>	<b>7,965,821</b>	<b>6,053,793</b>	<b>49,940,694</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>					
Usable Receipts Brought Forward	5,607,226	1,233,114	733,114	733,114	5,607,226
Major Repairs Reserve Brought Forward	8,719,199	9,976,046	2,322,041	1,376,762	8,719,199
Resources in Year	7,301,930	17,347,880	7,020,542	6,056,590	37,726,942
Less Estimated Spend	(10,419,195)	(25,501,885)	(7,965,821)	(6,053,793)	(49,940,694)
<b>Uncommitted Capital Resources</b>	<b>11,209,160</b>	<b>3,055,155</b>	<b>2,109,876</b>	<b>2,112,673</b>	<b>2,112,673</b>
<b>WORKING BALANCE RESOURCES:</b>					
Balance Brought Forward	8,567,454	9,495,965	5,733,953	6,490,988	8,567,454
HRA Balance Transfer - Surplus/(Deficit)	(2,487,615)	(593,112)	821,719	594,774	(1,664,234)
RCCO in respect of St Loyes Extra Care Scheme	2,700,000	(2,700,000)			0
Quarter 1 Budget monitoring - forecast variances	512,950	(269,216)			243,734
Quarter 2 Budget monitoring - forecast variances	203,176	(199,684)	(64,684)	(64,684)	(125,876)
Balance Carried Forward	9,495,965	5,733,953	6,490,988	7,021,078	7,021,078
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Uncommitted HRA Working Balance</b>	<b>5,495,965</b>	<b>1,733,953</b>	<b>2,490,988</b>	<b>3,021,078</b>	<b>3,021,078</b>
<b>TOTAL AVAILABLE CAPITAL RESOURCES</b>	<b>16,705,125</b>	<b>4,789,108</b>	<b>4,600,864</b>	<b>5,133,751</b>	<b>5,133,751</b>

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## APPENDIX 4

**2017-18  
CAPITAL MONITORING - 2nd QUARTER**

		2017-18 Capital Programme	2017-18 Spend	2017-18 Forecast Spend	2017-18 Budget to be Carried Forward to Future Years	2017-18 Programme Variances Under ( )
		£	£	£	£	£
	<b>HRA CAPITAL</b>					
7HHOME	<b>EVERYONE HAS A HOME</b>					
Z4212	Adaptations	450,000	228,323	450,000		0
Z4402	Re-rendering	0	6,000	6,000		6,000
Z4703	Environmental Improvements - General	50,760	15,032	50,760		0
Z4705	Programmed Re-roofing	400,300	0	300,300	100,000	0
Z4709	Energy Conservation	190,000	0		100,000	(90,000)
Z4713	Garage Upgrades	11,000	0	11,000		0
Z4718	LAINGS Refurbishments	640,000	0	640,000		0
Z4719	Kitchen Replacement Programme	587,500	50,078	587,500		0
Z4721	Balcony Walkway Improvements	75,000	0	75,000		0
Z4724	Bathroom Replacements Programme	462,500	9,377	462,500		0
Z4740	Other Works	50,000	0			(50,000)
Z4742	Fire Precautionary Works to Flats	231,090	150,730	231,090		0
Z4743	Communal Areas	126,980	83,337	126,980		0
Z4745	Structural Repairs	189,430	36,424	70,000	119,430	0
Z4755	Rennes House Structural Works	550,000	4,725	50,000	500,000	0
Z4758	Common Area Footpath/Wall Improvements	514,370	53,444	514,370		0
Z4763	Soil Vent Pipe Replacement	25,500	0	25,500		0
Z4764	Electrical Central Heating	19,120	0	19,120		0
Z4765	Smoke/Fire Alarms - Older Persons	84,250	56,965	84,250		0
Z4802	Electrical Re-wiring	1,073,870	186,827	773,870	300,000	0
Z4901	Central Heating Programme	167,540	32,336	167,540		0
Z4903	Boiler Replacement Programme	123,200	46,006	123,200		0
Z4906	Communal Door & Screens	70,000	0	70,000		0
Z4909	Fire Risk Assessment Works	434,550	5,945	434,550		0
Z4911	Whipton Barton House Water Mains	50,000			50,000	0
Z4914	Re-roofing Works Shilhay	839,840	280,134	839,840		0
Z4915	Window Replacements	246,000	0	246,000		0
Z4916	Replacement Housing Management System	175,096	175,096	175,096		0
	<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>7,837,896</b>	<b>1,420,779</b>	<b>6,534,466</b>	<b>1,169,430</b>	<b>(134,000)</b>
	<b>COUNCIL OWN BUILD CAPITAL</b>					
Z3214	COB Wave 2 - Rennes Car Park	2,264,470	1,069,554	2,264,470		0
Z3220	St Loyes ExtraCare	151,719	25,229	151,719		0
Z4751	Acquisition of Social Housing - Section 106	173,540	53,103	173,540		0
Z5101	Estate Regeneration - Heavitree (COB Wave III)	585,640	131,327	452,230		(133,410)
Z5102	Estate Regeneration - Whipton (Clifford Close)	166,950	0	166,950		0
Z5103	Estate Regeneration - Whipton (Vaughan Road)	286,060	0	286,060		0
Z5104	Estate Regeneration - St Davids (South Street)	256,350	0	389,760		133,410
	<b>COUNCIL OWN BUILD TOTAL</b>	<b>3,884,729</b>	<b>1,279,213</b>	<b>3,884,729</b>	<b>0</b>	<b>0</b>
	<b>OVERALL HOUSING REVENUE ACCOUNT TOTAL</b>	<b>11,722,625</b>	<b>2,699,992</b>	<b>10,419,195</b>	<b>1,169,430</b>	<b>(134,000)</b>

2017-18  
CAPITAL MONITORING - 2nd QUARTER

2017-18 Capital Programme	2017-18 Spend	2017-18 Forecast Spend	2017-18 Budget to be Carried Forward to Future Years	2017-18 Programme Variances Under ( )
£	£	£	£	£





**REPORT TO:** PEOPLE SCRUTINY COMMITTEE  
**Date of Meeting:** 2 NOVEMBER 2017  
**Report of:** Chief Finance Officer  
**Title:** Budget Monitoring Report – Second Quarter

**Is this a Key Decision?**

No

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

Executive

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

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

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

**2. Recommendations:**

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

**3. Reasons for the recommendation:**

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

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

The financial resources required to deliver People Services during 2017/18 are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of People Services as at 31 March 2018.

**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:**

Given this report is for information, this report raise no issues of concern to the Monitoring Officer.

**8. Report Details:**

**Budget Monitoring – Second Quarter**

**8.1 Key Variations from Budget**

The current forecast suggests that net expenditure for this committee will increase from the approved budget by a total of £122,780 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 4.37% from the revised budget. This includes a supplementary budget of £178,300 already agreed by Council.

8.2 The significant variations by management unit are:

<b>MU Code</b>	<b>Management Unit</b>	<b>Over / (Underspend) £</b>	<b>Detail</b>
<b>81C3</b>	Affordable Housing Development	42,780	<ul style="list-style-type: none"> <li>This represents the cost of officer time required to progress Estate Regeneration Projects, following a successful capital grant bid of £1.295m and the time required in connection with setting up a new Development Company.</li> </ul>
<b>81E1</b>	General Fund - Housing	(45,000)	<ul style="list-style-type: none"> <li>The number of Private Sector Leased properties handed back to landlords was lower than anticipated in the first 6 months, resulting in additional rental income and lower hand back costs.</li> </ul>
<b>86A1</b>	Revenue Collection & Benefits	125,000	<ul style="list-style-type: none"> <li>The value of debt write offs has been higher than expected due to an increase in personal insolvencies.</li> </ul>

## **9. Capital Budget Monitoring – Second Quarter**

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

### **9.1 Revisions to the People Capital Programme**

The 2017/18 Capital Programme, including commitments brought forward from 2016/17, was last reported to Corporate Services Scrutiny Committee on 28 September 2017. Since that meeting no changes have been made to the programme.

### **9.2 Performance**

The current People Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £182,616 in 2017/18.

### **9.3 Capital Variances from Budget**

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

### **9.4 Capital Budgets Deferred to 2018/19**

No significant amounts have been identified as being wholly or partly deferred to 2018/19 and beyond.

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

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

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

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



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

The revenue service costs reported to this Committee help support the provision of temporary accommodation, housing advice, licensing of houses of multiple occupation, new affordable housing within the City and the administration of housing benefits. All these services have a positive impact on the health and wellbeing of residents, in particular those in housing need.

In terms of capital expenditure, the 2017/18 capital programme helps facilitate disabled adaptations, energy efficiency measures and provide loans to return properties to a habitable standard. The capital schemes have a positive impact of the health and wellbeing of residents.

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

No

**DAVE HODGSON**  
**Chief Finance Officer**

**Authors:**

Nicola Matthews-Morley and Michelle White

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

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

None

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PEOPLE SCRUTINY COMMITTEE  
BUDGET MONITORING

QUARTER 2

ACTUAL TO DATE					YEAR END FORECAST			
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	CODE		APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE	QTR 1 FORECAST VARIANCE
£	£	£			£	£	£	£
497,256	452,085	(45,171)	81C2	ADVISORY SERVICES	1,053,080	1,053,080	0	0
253,680	296,256	42,576	81C3	AFFORDABLE HOUSING DEVELOPMENT	264,660	307,440	42,780	28,570
(42,558)	(31,935)	10,623	81C4	PRIVATE SECTOR HOUSING	100,830	100,830	0	0
87,790	87,790	0	81C5	SUNDRY LANDS MAINTENANCE	87,790	87,790	0	0
276,610	238,269	(38,341)	81E1	GF HOUSING - PROPERTY	91,980	46,980	(45,000)	0
847,163	947,217	100,054	86A1	REVENUE COLLECTION/BENEFITS	1,213,650	1,338,650	125,000	0
1,919,941	1,989,682	69,741	NET EXPENDITURE		2,811,990	2,934,770	122,780	28,570

TRANSFERS TO / (FROM) EARMARKED RESERVES	0
OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	2,934,770
REVISED BUDGETS	2,811,990
ADJUSTED OUTTURN VARIANCE	122,780

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## CAPITAL MONITORING TO 30 SEPTMBER 2017

	2017/18 Capital Programme	2017/18 Spend to 30 September	2017/18 Forecast Spend	2017/18 Budget to be Carried Forward to 2018/19 and Beyond	2017/18 Programme Variances (Under)/Over
	£	£	£	£	£
<b>PEOPLE</b>					
<b><i>HELP ME FIND SOMEWHERE TO LIVE</i></b>					
Disabled Facility Grants	685,820	99,683	685,820		
Warm Up Exeter/PLEA Scheme	124,620	59,368	124,620		
Wessex Loan Scheme	107,820	23,565	107,820		
WHIL Empty Properties	194,000	0	194,000		
Temporary Accommodation Purchase	584,950	0	584,950		
<b>PEOPLE TOTAL</b>	<b>1,697,210</b>	<b>182,616</b>	<b>1,697,210</b>	<b>0</b>	<b>0</b>

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**AREAS OF BUDGETARY RISK**

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

The revenue budget areas of risk are:

Budget Title	Approved Budget	Risk
<b>Revenue Collection/Benefits –</b> Housing Benefit Subsidy	£38,248,080	The Council administers over £38 million of Housing Benefit Subsidy for rent allowances and rent rebates. The claiming of subsidy is based on cost and administering within timescales varied from time to time by the Government. If timescales are not met, administrative errors minimised and overpayments reduced, there is a risk of paying out for Housing Benefit and only receiving a partial reimbursement of subsidy.

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**REPORT TO: PEOPLE SCRUTINY COMMITTEE**

Date of Meeting: 2 NOVEMBER 2017

**REPORT TO: EXECUTIVE**

Date of Meeting: 14 NOVEMBER 2017

**REPORT TO: COUNCIL**

Date of Meeting: 19 DECEMBER 2017

Report of: Bindu Arjoon - Director  
Title: Council Tax Support scheme 2018/19

**Is this a Key Decision?**

Yes

\* 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?**

This report is presented to seek members' views on the local Council Tax Support (CTS) scheme for working age residents for 2018-19. The local CTS scheme started in April 2013 and members are required to agree the scheme rules annually.

**2. Recommendations:**

That Council be RECOMMENDED to approve the scheme for 2018-19 to continue without substantive changes from the current year scheme.

**3. Reasons for the recommendation:**

- 3.1 A significant amount of changes were made to the CTS scheme from April 2017. The impact of these changes on residents is still being assessed.
- 3.2 There is no financial imperative to reduce scheme costs from the precepting authorities. There is recognition that further reducing support to these households will have a detrimental impact on collection rates.
- 3.3 There has been little in the way of significant welfare reform from central government in the past 12 months. There is therefore no need to align our local scheme with national changes.

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

A more generous scheme of CTS reduces the amount of Council Tax which is billed to residents and therefore available for collection. A less generous scheme increases the amount of billed Council Tax however this then needs to be collected from low income households.

**5. Section 151 Officer comments:**

This report is not seeking any substantive changes to the local Council Tax Support scheme, therefore raises no financial concerns. Income from Council Tax will remain in accordance with the Council's medium term financial plan.

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

Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 31 January.

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

The Devon Preceptors have been consulted about the detail of the recommendations to Council. They continue to be in favour of this policy including the "exceptional hardship" fund in order to support those in the most financially vulnerable position.

**8. Report details:**

- 8.1 Exeter City Council's local Council Tax Support scheme has been in place since national Council Tax Benefit was abolished in April 2013. Rules for pensioners are set nationally, leaving discretion for local rules for working age customers. The scheme agreed by Exeter City Council from April 2013 was based on the old Council Tax Benefit scheme with the following key changes:

- Maximum support limited to 80%
- Capital limit reduced to £6,000
- Introduction of an Exceptional Hardship policy

This scheme remained unchanged between April 2013 and April 2017.

- 8.2 In April 2017 the Council introduced a number of changes to the scheme for working age customers. These changes were intended to align with changes introduced in nationally determined benefits such as Housing Benefit, Universal Credit, Employment and Support Allowance and Council Tax Support for pensioners. The changes introduced were:

1. Using a minimum income for self-employed earners after 1 year's self-employment
2. Reducing backdating to 1 month and allowing claims from newly liable customers
3. Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Support to 4 weeks
4. Removing the Work Related Activity Component in the calculation of the entitlement for new applicants
5. Removing entitlement to the Severe Disability Premium where another person is paid Universal Credit (Carers Element) for looking after them
6. Removing entitlement to the additional earnings disregard for Universal Credit customers in work

- 8.3 At the same time as introducing these changes Council chose not to introduce two further changes which had been subject to public consultation.

1. Limiting the number of dependent children within the calculation for Council Tax Support to a maximum of 2
2. Removing the Family Premium for all new applicants

- 8.4 As forecast, the effect on customers of introducing these changes has been minimal except for the minimum income floor (change 1 in paragraph 8.2 above). To date none of the households affected by changes 2 to 6 have needed any extra help managing the change.
- 8.5 295 households had been impacted by the introduction of the minimum income floor by the middle of September 2017. 190 of these are no longer entitled to receive any Council Tax Support towards their 2017-18 bill. Whilst many customers appear to be coping well with the extra charge, 30% of all cases affected have paid less than half of the amount of Council Tax due to date. Work is ongoing with these customers to understand their individual barriers to making the extra payments. This involves the Money and Budgeting Support worker – on contract from Exeter Citizens Advice – working with colleagues in the Payments & Collection and Benefits & Welfare teams to look at customers' circumstances and what extra help and support can be offered. The review will also aim to identify shared characteristics of those who are struggling to pay which will inform any future proposals for changes to the policy.
- 8.6 Alongside changes to the main scheme in April 2017 the Exceptional Hardship Scheme was amended to allow awards of extra help where entitlement to CTS was lost due to the changes. Between April and September 2017 75% more awards of Exceptional Hardship were made than in the same period in 2016, increasing expenditure by 138%. By continuing to work proactively to identify and support customers struggling to make the extra payments it is likely that this high rate of expenditure will continue. The extra expenditure is unlikely to exceed £15,000 and represents 10 to 15% of the amount of additional Council Tax charged as a result of this change.
- 8.7 The Universal Credit Full (Digital) Service is scheduled to be rolled out in Exeter from June 2018. This will bring with it serious problems for the operation of the working age CTS scheme as it is currently designed. As we lose Housing Benefit customers to Universal Credit, continuing to operate a complex means tested scheme solely for CTS becomes very expensive. The nature of the current CTS scheme does not integrate well with the design of Universal Credit and creates problems for billing and recovery of Council Tax. In order to realise savings for the authority, maximise Council Tax recovery and reduce complexity and confusion for customers we are currently investigating options for a significantly simpler scheme to operate in future years.

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

The Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low income residents afford their Council Tax liability. The Exceptional Hardship policy strengthens this support by ensuring that the scheme rules do not cause inadvertent hardship in individual cases.

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

By maintaining the scheme unchanged for the upcoming year the risk to Council Tax collection rates is minimised.

## **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?**

An Equality Impact Assessment accompanies this report. Members are requested to have read this assessment.

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

Council can choose to make changes to the scheme from April each year. To comply with the legal requirements highlighted in section 6 above, any changes must be subject to consultation with precepting authorities and the public before implementation.

**Bindu Arjoon**  
**Director**

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

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

None

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# **Council Tax Support**

## **Equality Impact Assessment**

**October 2017**

## Contents

Version history .....	2
Background.....	3
Timescale .....	3
Financial impact – Exeter City Council & Council Tax preceptors .....	3
Data used in this report.....	3
Financial impact – Claimants .....	4
Protection of vulnerable customers .....	4
Protections in the previous CTB scheme .....	4
Exceptional Hardship policy .....	5
Changes to the scheme from April 2017.....	5
Minimum Income Floor (MIF) for self-employed claimants .....	5
Additional earnings disregard in Universal Credit.....	6
Backdating.....	6
Absence outside GB .....	6
Effect of the scheme on particular groups .....	7
Primary benefit .....	7
Family characteristic .....	7
Single parent households.....	8
Single person households .....	8
Summary table – family characteristics .....	9
Gender .....	9
Tenure type .....	10
Disabilities and carers.....	10
Disability premiums .....	11
Carers .....	11
Disability and carer premiums .....	11
Summary table - disabilities.....	12
Work status.....	12
Other protected characteristics .....	13

## Version history

1	June 2013	To accompany new scheme
2	October 2016	Major revision to incorporate proposed changes
3	October 2017	Revised for adopted changes April 2017 and updated caseload demographics

## Background

Exeter City Council introduced a local Council Tax Support scheme in April 2013 to replace the national Council Tax Benefit. Since then the scheme has been updated annually to reflect changes in benefit rates. More significant changes were made to the working age scheme from April 2017 to help align areas of the scheme with changes in Housing Benefit and Universal Credit.

In preparing this assessment regard has been had to the policy paper issued by DCLG in 2014, *“Localising Support for Council Tax. Vulnerable people – key local authority duties.”*<sup>1</sup>

The scheme for pensioners continues to be prescribed nationally with entitlement protected at current levels. No changes are proposed to the working age scheme for 2018/19.

### ***Timescale***

Schemes for working age customers must be set each year by a meeting of the full Council. The agreed scheme comes into force on 1 April and must be agreed before 31 January of that year. If changes to the scheme are proposed then a period of public consultation must be held prior to the decision being made.

### ***Financial impact – Exeter City Council & Council Tax preceptors***

The grant allocation for Council Tax Support is no longer identified separately; funding is included within the Formula Grant. It is for Billing Authorities to determine their working age schemes and calculate the cost of providing support at the chosen level. In order to make financial savings from the scheme, reductions must be made to the support for working age claimants.

Maintaining support at a higher level means less money is charged to Council Tax payers receiving Council Tax Support. This means less money can be collected to be spent on services by Devon County Council, Exeter City Council, Devon & Cornwall Police and Devon & Somerset Fire & Rescue Service.

Reducing support for low income households increases the amount of Council Tax charged. This only translates into increased income for the authority and preceptors once it has been collected.

### ***Data used in this report***

The figures within this report are based on an extract from the Council Tax Support processing system on 28 September 2017. As caseload and expenditure fluctuate throughout the year it is not possible to be certain of the final figures until the end of the financial year.

Not all characteristics are recorded (and therefore available for this analysis) in every individual case; for example a disability characteristic does not always affect the amount of a CTS passported award.

This impact assessment will be reviewed annually when the scheme for the following year is agreed, to ensure that any changes to equality issues within the scheme are addressed effectively. The data used may also change to reflect the caseload fluctuations as stated above.

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<sup>1</sup> <https://www.gov.uk/government/collections/localising-council-tax-support>

### ***Financial impact – Claimants***

Exeter currently has 4292 Council Tax Support claimants below the age where the pensioner scheme would apply. The locally determined scheme only affects claimants in the working age group.

Age	Cases	% of CTS caseload	Change since 2013
<b>Working age</b>	4292	57%	-20%
<b>Pensioner age</b>	3242	43%	-21%
<b>Total</b>	<b>7534</b>	<b>100%</b>	<b>-20.7%</b>

Overall caseload numbers have declined steadily since the introduction of Council Tax Support in April 2013. The mix between working age and pension age customers has remained fairly stable throughout.

<b><i>April 2013</i></b>	<b><i>Cases</i></b>	<b><i>% of CTS caseload</i></b>
<b><i>Working age</i></b>	5398	57%
<b><i>Pensioner age</i></b>	4101	43%
<b><i>Total</i></b>	<b>9499</b>	<b>100%</b>

## **Protection of vulnerable customers**

Central Government does not prescribe any specific groups within the working age caseload who must be given particular protection in a local scheme. They do however highlight our existing duties in relation to<sup>1</sup>:

- The public sector Equality Duty (The Equality Act 2010)
- The duty to mitigate effects of child poverty (The Child Poverty Act 2010)
- The duty to prevent homelessness (Housing Act 1996 & Homelessness Act 2002)
- The Armed Forces covenant

Additionally Government expect local schemes to support the operation of work incentives in the wider welfare reform agenda.<sup>2</sup>

### ***Protections in the previous CTB scheme***

Council Tax Benefit existed as a national scheme to provide assistance to low-income taxpayers since the introduction of Council Tax in 1993 until April 2013. It was a mature, robust and complex legislative system with protections for vulnerable groups built in. It has been subject to repeated legal challenge ensuring it generally satisfies equality duties.

The structure of the means test ensured that vulnerable groups were recognised and protected. Specifically, this worked in the following ways:

- Personal allowances were increased for families and all additional children
- Additional premiums for disabled household members and carers
- Income disregards for certain disability benefits, child benefit and child maintenance

---

<sup>2</sup> *Localising Support for Council Tax. Taking work incentives into account*, DCLG, May 2012



- Earned income disregards; higher rates applied for full time work, disabled workers, certain part-time emergency workers and lone parent workers
- Childcare costs disregarded for workers with children
- Local disregard of War Pension income

Preserving the CTB means test in our local CTS scheme since 2013 has maintained the protections and work incentives that have been refined over many years. At its meeting of 13 December 2016<sup>3</sup> Exeter City Council rejected proposals to introduce changes from April 2017 which would have undermined the protections for families with dependent children.

### ***Exceptional Hardship policy***

Since the introduction of our local Council Tax Support scheme in April 2013 we have operated an Exceptional Hardship policy. This flexible scheme allows us to provide additional support to vulnerable customers who find themselves unable to afford their liability under the rules of the CTS scheme. An award of Exceptional Hardship can reduce a customer's liability to nil. The policy was revised from April 2017 to ensure it can assist vulnerable customers adversely impacted by changes made to the CTS scheme.

It is a sensible approach to use Exceptional Hardship to deal with complex situations and recognise extra need in individual cases. Inserting legally complex exemptions into the main CTS scheme for groups which are hard to define risks not helping the right people. If clearly defined groups can be identified then a more reasonable approach may be to introduce an exemption into the scheme rules. By reviewing those who are applying for extra help or are identified as struggling to pay we continue to build this picture.

## **Changes to the scheme from April 2017**

A number of changes were made to the scheme for working age customers

### ***Minimum Income Floor (MIF) for self-employed claimants***

<b>Minimum Income Floor (MIF) for self-employed claimants</b>	Working age		
	Total	Count (Affected)	Percentage
Affected by MIF	4292	300	7.0%
Dependent children	1773	219	12.4%
Lone parent	1302	120	9.2%
Carers premium	288	5	1.7%
Disability premium, disabled child or Severe Disability Premium	2259	25	1.1%
Carers and disability premiums	395	18	4.6%

From April 2017 a change to the local scheme was introduced for self-employed claimants, mirroring rules already in place in Universal Credit. This assumes a notional income after one year of trading, where affected customers are treated as

<sup>3</sup> <https://exeter.gov.uk/council-and-democracy/councillors-and-meetings/meetings-agenda-and-minutes/>

having an income equal to 35 hours work at the National Living Wage (National Minimum Wage for under 25s).

It is possible that parents may find the extra flexibility afforded by running their own business preferable to taking up employment. Similarly those with caring responsibilities or a disability may find self-employment more sustainable than paid work. It is important that the limitations these groups may face in working the assumed number of hours is recognised. This is achieved by the granting of extra help through the Exceptional Hardship scheme where individual circumstances show there is a need.

### ***Additional earnings disregard in Universal Credit***

From April 2017 the additional earnings disregard was removed for customers who are working while in receipt of Universal Credit. The disregard is worth up to £3.42 CTS weekly. There are currently 30 Universal Credit customers in receipt of CTS who may have received the additional earnings disregard before the change. The average affected household would have to pay an extra £2.60 weekly towards their Council Tax bill. Once a customer is earning sufficient to not be entitled to Universal Credit, the additional disregard can be applied as currently.

The additional hours disregard is linked to the number of hours a customer works and was tied to the equivalent addition in Working Tax Credit. The disregard / addition does not form part of Universal Credit calculation. When the assessment of earned income is undertaken by the local authority, the number of hours worked is available and relevant to the calculation of Housing Benefit or CTS. For Universal Credit cases the assessment of earnings is undertaken by DWP staff. The basis of this calculation is not always identifiable and is generally based on a past period. Obtaining reliable information on the number of hours worked for the relevant period is not often possible and applying these from a monthly award of Universal Credit to a weekly calculation of CTS results in inconsistent treatment of income and disregards.

Although there is the potential for this change to weaken work incentives, it is considered likely to have a minimal impact against the incentives to increase earning under Universal Credit.

### ***Backdating***

The maximum period a claim can be backdated was reduced from six months to one month in April 2017. At the same time a new rule was introduced allowing a new claim for CTS to be linked to the date a first bill was issued. In 2015/16 the reduced backdating period would have affected 24 claims. Backdating is allowed for a number of reasons and can apply to claimants in any of the groups discussed in this impact assessment. The change aligned rules with Housing Benefit. With such low numbers affected any difficult cases can be managed through the Exceptional Hardship policy. In the first 6 months of this change there have been no cases referred for consideration of exceptional help.

### ***Absence outside GB***

The period a claimant can be away from their home has been limited to four weeks where this absence is outside Great Britain. No data is recorded on length of absences or destination so it is impossible to say how many people have been affected by this change. It is likely that the effects of this change will be felt more by non UK nationals and those with family outside the country (and therefore a greater need to travel abroad) than those with no links outside the country. It follows that there may therefore be a higher than average impact on minority ethnic groups. No data is held on these characteristics and therefore the scale of this impact cannot be

confirmed. Aligning rules with those already in place in Housing Benefit includes the easements for the deaths of close relatives. The change is likely to affect very few people overall and any difficult cases can be well managed through Exceptional Hardship awards.

## Effect of the scheme on particular groups

### *Primary benefit*

Council Tax Support largely retains the means-test calculation from Council Tax Benefit. Entitlement to certain primary benefits, awarded by Department for Work and Pensions, passports the customer through the CTS means test. In these cases, as a full means test is not required, we do not necessarily hold detailed income and household information. Customers will normally be entitled to receive the maximum award of CTS. This may be reduced for other adults living in the property.

Overall more than 67% of CTS customers are in receipt of a primary benefit; this rises to nearly 72% of working age customers. Since the introduction of Universal Credit, new claims for JSA have instead been claims for UC. These customers are not passported to full CTS under the local scheme so are not included in the figures below.

Primary benefit	All CTS cases		Working age		Pensioner	
	Count	%	Count	%	Count	%
Income Support	701	9.3%	701	16.3%	N/A	N/A
Jobseekers Allowance Income Based	264	3.5%	264	6.2%	N/A	N/A
Employment and Support Allowance Income Related	2118	28.1%	2118	49.3%	N/A	N/A
Pension Credit Guarantee Element	2014	26.7%	N/A	N/A	2014	62.1%
Standard (no primary benefit)	2437	32.3%	1209	28.2%	1228	37.9%
<b>Total</b>	<b>7534</b>		<b>4292</b>		<b>3242</b>	

### *Family characteristic*

Local Authorities are under a duty to reduce and mitigate the effects of child poverty in their area. The proportion of cases where a child is present in a household subject to the local scheme rules is higher than within the overall CTS caseload. This is to be expected as generally more children in the CTS caseload are resident in working age households than pensioner households and pensioner households are protected by national rules.

Family characteristic	All CTS cases		Working age		Pensioner	
	Count	%	Count	%	Count	%
Single	4859	<b>64.5%</b>	2237	<b>52.1%</b>	2622	<b>80.9%</b>
Couple with no children	886	<b>11.8%</b>	282	<b>6.6%</b>	604	<b>18.6%</b>
Lone parent	1302	<b>17.3%</b>	1301	<b>30.3%</b>	1	<b>0%</b>
Couple with children	487	<b>6.5%</b>	472	<b>11%</b>	15	<b>0.5%</b>
<b>Total</b>	<b>7534</b>		<b>4292</b>		<b>3242</b>	

The means test in CTS ensures that households with children keep more income before their awards are affected than a similar household with no children.

#### Single parent households

Single parent household	All CTS cases		Working age		Pensioner	
	Count	% of CTS claimants	Count	% of total working age claimants	Count	% of total pension age claimants
Female	1236	16.4%	1235	28.8%	1	0%
Male	66	0.9%	66	1.5%	0	0%
<b>Total</b>	<b>1302</b>	<b>17.3%</b>	<b>1301</b>	<b>30.3%</b>	<b>1</b>	<b>0%</b>

As would be expected the proportion of lone parent households subject to the local scheme is higher than the overall caseload of lone parent cases. This is because the majority of lone parent claimants are working age. Female lone parents account for nearly 95% of our lone parent claimants. This group is highlighted in The Fawcett Society briefing paper as being “a group more likely to live below the poverty line”.<sup>4</sup>

It is likely that this group is further disadvantaged in the employment market because of their caring responsibilities dictating the hours & type of work they can reasonably undertake. The added difficulties this group may face increasing their income is taken into account when considering Exceptional Hardship claims.

#### Single person households

Single person household	All CTS cases		Working age		Pensioner	
	Count	% of CTS claimants	Count	% of total working age claimants	Count	% of total pension age claimants
Female	2884	38.3%	1047	24.4%	1837	56.7%
Male	1959	26%	1190	27.7%	769	23.7%
<b>Total</b>	<b>4843</b>	<b>64.3%</b>	<b>2237</b>	<b>52.1%</b>	<b>2606</b>	<b>80.4%</b>

Single person households may also face a greater challenge increasing their income or managing additional expenditure than households with more members who can contribute. The proportion of single person households subject to the local scheme rules is lower than in the overall CTS population.

<sup>4</sup> <http://fawcettsociety.org.uk/documents/The%20Impact%20of%20Austerity%20on%20Women%20-%2019th%20March%202012.pdf>

### Summary table – family characteristics

Age	Neutral impact - it does not affect	Negative impact - it could disadvantage	Reason
Older people (born before 6 July 1953)	✓		Older people cannot be affected by the local CTS scheme. Their rules continue to be set by Central Government.
Younger people (born from 6 July 1953)		✓	All of the current 4,292 working age claim households are asked to pay more towards their Council Tax under local scheme rules than the national benefit it replaced.
Under 18s	✓		Will not be liable for Council Tax and therefore unaffected.
Single people under 25		✓	The local scheme does not distinguish on claimant age within the working age claimant group. However all working age claimants are expected to pay at least 20% of their liability.
Dependent children in household		✓	The means test allows additional amounts for each child in the household. Households with children are subject to the same minimum payment as all working age households.

### **Gender**

Gender	All CTS cases		Working age		Pensioner	
	Count	%	Count	%	Count	%
Male	2025	26.9%	1256	29.3%	769	23.7%
Female	4120	54.7%	2282	53.2%	1838	56.7%
Couples	1389	18.4%	754	17.6%	635	19.6%
Total	7534		4292		3242	

No gender group is treated differently by the local scheme. However, as there are relatively more in the caseload, a larger number of single females in Exeter are subject to the locally determined Council Tax Support scheme.

Independent research also highlights the effect that the wider welfare reform changes will have on women:

“The Fawcett Society is extremely concerned about the impact of austerity on women’s equality in the UK. Our analysis - and the conclusions of independent research bodies and academics - has highlighted that the cumulative effect of fiscal measures taken to reduce net public spending will

have a disproportionate effect on women, making many women poorer and less financially autonomous. The knock-on effects of this will be to turn back time on a range of indicators of women's rights and equality.

The Fawcett Society has highlighted that women face a triple jeopardy: women are being hit in three key ways a result of the deficit-reduction measures:

1. Women are being hit hardest by cuts to public sector jobs, wages and pensions.
2. Women are being hit hardest as the services and benefits they use more are cut.
3. Women will be left 'filling the gaps' as state services are withdrawn.”<sup>5</sup>

The report shows the current position of economic indicators highlighting that equality for women still falls below equivalent measures for men in areas such as full time pay, low paid work, ethnicity & poverty, personal pensions, lone parents and childcare.

### ***Tenure type***

Tenure type	All CTS cases		Working age		Pensioner	
	Count	%	Count	%	Count	%
<b>Council Tenant</b>	2679	<b>35.6%</b>	1641	<b>38.2%</b>	1038	<b>32.0%</b>
<b>Private Rented</b>	3400	<b>45.1%</b>	2366	<b>55.1%</b>	1034	<b>31.9%</b>
<b>Owner Occupier</b>	1455	<b>19.3%</b>	285	<b>6.7%</b>	1170	<b>33.9%</b>
<b>Total</b>	<b>7534</b>		<b>4292</b>		<b>3242</b>	

Tenants in both the private and social sectors may have also seen reductions in the amount of Housing Benefit available to them as a result of other welfare reforms. This includes the social sector size restriction, household benefit cap (reduced further from November 2016), freezes to Local Housing Allowance (LHA) rates. Still to come are the restriction of new social tenancies to the LHA rate and the replacement of Housing Benefit with Universal Credit Housing Costs. These households could therefore face multiple pressures on their budgets. 93% of those subject to local scheme rules also have a rent liability. This compares to 81% of the total CTS caseload as proportionally more pensioner CTS claimants own their home.

### ***Disabilities and carers***

Within the means test in CTS extra amounts are given for disabilities or caring responsibilities of a household member. This recognises the extra expense that can be involved in these circumstances. The scheme also operates a number of disregards where the extra benefits paid for disability are not taken into account in the means test.

Awards of the extra amounts in the CTS calculation (referred to as “premiums”) is based on set criteria and is often tied to receipt of a qualifying benefit. Figures below include households receiving any of the following premiums:

- Disability Premium
- Enhanced Disability Premium
- Severe Disability Premium

<sup>5</sup> <http://fawcettsociety.org.uk/documents/The%20Impact%20of%20Austerity%20on%20Women%20-%2019th%20March%202012.pdf>

- Disabled Child Premium
- Carers Premium

In cases where the household receives a passported benefit (Income Support, Income Based Jobseekers Allowance, Income Related Employment and Support Allowance, Guarantee Pension Credit) we do not necessarily hold information on disability or carer status. The figures below should therefore be taken to indicate “at least” this many households.

More than one of the disability premiums can be awarded to the same household where applicable. The tables below also highlight households receiving one or more of the Disability Premium and the Carers Premium together. These households are also included in the appropriate Disability premiums or Carers Premium figures.

#### Disability premiums

Disability premiums	All CTS cases		Working age		Pensioner	
	Count	% of CTS claimants	Count	% of total with a disability premium	Count	% of total with a disability premium
Couple	476	34.7%	435	57.7%	41	6.6%
Female	1315	31.9%	895	39.2%	420	22.9%
Male	863	42.6%	684	54.5%	179	23.3%
<b>Total</b>	<b>2654</b>	<b>35.2%</b>	<b>2014</b>	<b>46.9%</b>	<b>640</b>	<b>19.7%</b>

#### Carers

Carers	All CTB cases		Working age		Pensioner	
	Count	% of CTB claimants	Count	% of total carers	Count	% of total carers
Couple	416	30.3%	274	36.3%	142	22.9%
Female	226	5.5%	208	9.1%	18	1.0%
Male	36	1.8%	30	2.4%	6	0.8%
<b>Total</b>	<b>678</b>	<b>9.0%</b>	<b>512</b>	<b>11.9%</b>	<b>166</b>	<b>5.1%</b>

#### Disability and carer premiums

Disability and carer premiums	All CTB cases		Working age		Pensioner	
	Count	% of CTB claimants	Count	% of total with	Count	% of total with
Couple	262	19.1%	241	32.0%	21	3.4%
Female	124	3.0%	117	5.1%	7	0.4%
Male	9	0.4%	9	0.7%	0	0%
<b>Total</b>	<b>395</b>	<b>5.2%</b>	<b>367</b>	<b>8.6%</b>	<b>28</b>	<b>0.9%</b>

### Summary table - disabilities

	Neutral impact - it will not affect	Negative impact - it could affect	Reason
Physical		✓	Ability to travel to make payments. Potentially less able to use online or telephone methods for payment and advice. Potential inability to increase income.
Sensory		✓	Potential difficulties accessing Council in person or by online / telephony routes for payments and advice. Potential inability to increase income.
Learning		✓	Ability to access and understand information advising of the charge. Potential difficulties accessing Council in person or by online / telephony routes for payments and advice. Potential inability to increase income.
Mental health		✓	Ability to access and understand initial information advising of the charge. Potential difficulties accessing Council in person or by online / telephony routes for payments and advice. Potential inability to increase income.

### **Work status**

Work status	All CTB cases		Working age		Pensioner	
	Count	%	Count	%	Count	%
<b>Working</b>	858	11.4%	816	19%	42	1.3%
<b>Not working</b>	6676	88.6%	3476	81%	3200	98.7%
<b>Total</b>	<b>7534</b>		<b>4292</b>		<b>3242</b>	

Local schemes are expected not to discourage claimants from taking up employment or increasing hours of work. A higher proportion of households subject to the local scheme rules are in work compared to the overall CTS population. This is to be expected if most working households are in the working age population rather than the pension age population (who are protected by national rules).



### ***Other protected characteristics***

ECC Benefits Service do not hold data for race, sexual orientation, religion or belief. The scheme is designed to treat all claimants equally based on their household and financial circumstances without discrimination. As we do not hold data on characteristics which are not relevant to the calculation of support, it is impossible to say whether scheme rules may unintentionally have disproportionate impacts on these groups.

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## **EXETER HEALTH AND WELLBEING BOARD**

Tuesday 12 September 2017

### **Present:-**

Councillor Bialyk (Chair)	Exeter City Council
Councillor Edwards	Exeter City Council
Councillor Morse	Exeter City Council
Councillor Randall-Johnson	Devon County Council
Julian Tagg	Exeter City Football Club
Matt Evans	Active Exeter
Sarah Gibbs	Public Health
Kristian Tomblin	Devon County Council
Amanda Kilroy	CoLab
Jo Yelland	Exeter City Council
Dawn Rivers	Exeter City Council
Howard Bassett	Exeter City Council

15

### **APOLOGIES**

This was received from Simon Bowkett with Amanda Kilroy deputising, Gillian Champion, Tim Golby, Dr Virginia Pearson with Sarah Gibbs deputising.

16

### **MINUTES OF THE MEETING HELD ON 11 JULY 2017**

The minutes of the meeting held on 11 July 2017 were taken as read and signed by the Chair as correct.

17

### **WELLBEING EXETER**

Dawn Rivers updated the Board on progress with Wellbeing Exeter pilot and the two main elements of community connectors operating in conjunction with GP surgeries, funded by the New Devon CCG and Devon County Council and the community builders funded via Exeter City Council Community Infrastructure Levy monies from April 2018. Both parts of the scheme were to be rolled out across the City as part of the Wellbeing Exeter programme. Wellbeing Exeter had been shortlisted for a National Health Service Journal award.

Sarah Gibbs suggested broadening out the access to self-referral. Jo Yelland highlighted the importance of being clear about the purposes of social prescribing as it meant lots of different things to different people. The Wellbeing Exeter model had a clear purpose to reduce future demand on statutory services and the evaluation was really clear that GP's were identifying hard to reach individuals who would not self-refer. As the pilot moved into mainstreaming then the steering group would be looking at digital self-help resources as an underpinning platform and would keep under review other referral routes as more is learnt about impact and outcomes.

**RESOLVED** that the position be noted.

## **CITY COMMUNITY TRUST**

Julian Tagg spoke on the background to and work of the City Community Trust, formerly the Exeter City Football in the Community, which had been rebranded to reflect its wider focus to involve more organisations across the city and embrace different social initiatives. It was no longer purely a football based initiative. Its work complemented that of Active Devon and Active Exeter and it was involved in the Exeter and Cranbrook bid to be a Sport England Local Delivery Pilot. A key area was involving young people from all backgrounds and there were currently over a 100 courses in sports participation. Julian Tagg described the successful delivery of the National Citizenship project that the City Community Trust were delivering to young people in Devon.

Members agreed that the City Community Trust was a valuable delivery partner of the Health Board.

## **DEMENTIA FRIENDLY COUNCIL TASK AND FINISH GROUP**

The Chair presented the report of the City Council's Dementia Friendly Task and Finish Group that had concluded its findings and reported to the People Scrutiny Committee in March 2017. It had been recommended that the report be submitted to this Board for information.

Councillor Morse, a Member of the Task and Finish Group, enlarged on its findings and recommendations. She referred to the involvement of the Exeter Dementia Action Alliance in this work and to a visit from representatives of the Alzheimer's Society who had praised the City Council's Customer Services in the steps taken to become more dementia friendly. The City Council was now a member of the Alliance and, in addition to encouraging external organisations to join, there remained a number of areas where the Council itself could further improve. Sarah Gibbs welcomed the Council's work and recommended liaison with a Honiton based scheme (contact Heather Penwarden) involving support for the elderly via the scouts and guides etc. Amanda Kirby also referred to possible input via Active Heath Science and the Design Council.

**RESOLVED** that the Chair and Jo Yelland examine areas that might require expansion, updating and improving within the City Council's Alliance Action Plan.

## **SPORT ENGLAND LOCAL DELIVERY PILOT**

Jo Yelland reported that the Exeter/Cranbrook bid to become a Sport England Local Delivery Partner, one of 118 submitted, was amongst the 19 shortlisted to progress to Stage 2. This submission had been made on 11 September and a further assessment would take place on 4 October. James Bogue from Active Devon was taking a lead role in this work. An on-site assessment would take place on 4 October, the results likely to be announced in December.

The bid was promulgated on meeting the challenges of a City facing rapid growth in population and economy but with widening inequality and pockets of deprivation with an understanding that changing behaviour was key to resolving the challenges. The aspirational vision was now to make Exeter the most active city in England and for Cranbrook to be a Healthy New Town with families active together. Goals were to narrow stubborn health inequalities by getting 10,000 previously inactive people living in the most challenged communities moving more and reducing congestion and improving air quality through more people walking and cycling in their daily lives.

It was noted that this work would also feed into a future Sports Strategy for the City.

**RESOLVED** that the position be noted.

21

### **SUGAR SMART CITY**

Dawn Rivers reported on progress with Sugar Smart Exeter delivered in conjunction with the Exeter Food Network (to be renamed Food Exeter) as part of one of the Board's priorities of improving the diet of Exeter's citizens. Sugar Smart was an ambitious campaign aimed at helping towns, cities, counties and boroughs across the UK to raise awareness and reduce consumption of sugar across all age groups. The campaign aimed to promote health alternatives and remove or reduce unhealthy food and drink, particularly targeting those high in sugar. Experience showed that getting commitments from institutions and businesses could help to motivate real change in different settings at a local level and across the country.

The University of Exeter was helping with evaluation at a local level.

It was hoped that concerted action across the country would encourage the Government to introduce appropriate legislation

More information about the campaign can be found on the national website [www.sugarsmartuk.org](http://www.sugarsmartuk.org) and the local website [www.exeterfoodnetwork.org.uk/sugar-smart](http://www.exeterfoodnetwork.org.uk/sugar-smart)

22

### **FUTURE OF EXETER HEALTH AND WELLBEING BOARD**

Jo Yelland, referring to the original aims of the Health and Wellbeing Board when established in September 2013, which were:-

- To ensure the delivery of improved health and wellbeing outcomes for the population of Exeter with a specific focus on reducing inequalities;
- To concentrate its efforts over the medium-term to significantly improving the health outcomes in one priority area;
- To promote integration and partnership working between the City Council, NHS, Devon County Council social care, public health, Police, voluntary services and other local services; and
- To improve local democratic accountability for health and wellbeing.

Jo Yelland highlighted the success of Active Exeter and how the Board had promoted integration and partnership working by sharing information, knowledge and supported campaigns: which included regular information on Public Health profiles, information and updates on Integrated Care Exeter, support for Smoke Free play areas, sign up to the principles of Sugar Smart City and the promotion of Cosy Homes grants.

Following discussion on the way forward for the Board there was consensus that the Board remained of value and it was agreed to adopt the following four areas as future areas of work for the Board as it sought to increase and develop its cross city co-ordinating role:-

- maintaining a priority focus on physical activity;
- providing local oversight of Wellbeing Exeter to embed both social prescribing and community building;
- co-ordination of the implementation of the Exeter Youth Strategy; and
- promoting the Exeter Community Strategy and co-ordinating its implementation across the City, and in particular with statutory partners .

Sarah Gibbs remarked that initial Public Health funding of £20,000 for the Board in 2013 had facilitated data collection and which had informed Active Exeter - which itself had helped with the bid for the Sport England Local Delivery pilot and would input into the Sports Strategy. Matt Evans added that the Board and its Members provided valuable support to the work of Active Exeter comparing it with the difficulty he sometimes experienced in rural Devon where the Districts did not possess this mechanism of supporting partnership initiatives. Unlike West Devon, for example, it was recognised that Exeter benefitted from its compact nature. Kirstian Tomblin felt that the Board was a valuable forum helping the County Council address complex social issues.

Amanda Kilroy identified learning opportunities as a potential additional area of focus to address the poor aspirations of certain groups.

The Chair invited Members to put forward any further suggestions for consideration.

**RESOLVED** that Jo Yelland report further to the next Board meeting on 31 October confirming future priorities for the Board, a revamped terms of reference and suggestions for membership.

23

#### **DATES OF FUTURE MEETINGS**

Future meetings, commencing at 2.00pm, were scheduled for:-

31 October 2017  
30 January 2018  
10 April 2018  
10 July 2018  
11 September 2018

(The meeting commenced at 2.00 pm and closed at 4.00 pm)

Chair