



Exeter City Council

To the Chair and Members
of the Scrutiny Committee - Resources

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AGENDA FOR EXETER CITY COUNCIL SCRUTINY COMMITTEE - RESOURCES

The Scrutiny Committee - Resources will meet on **WEDNESDAY 17 JUNE 2009**, commencing at **5.30 pm**, in the Rennes Room, Civic Centre, Paris Street, Exeter to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Sarah Selway, Member Services Officer on **Exeter 265275**.

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

Pages

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

1

MINUTES

To sign the minutes of the meeting held on 25 March 2009.

2

DECLARATIONS OF INTEREST

Councillors are reminded of the need to declare personal and prejudicial interests, including the nature and extent of such interests, in relation to business on the agenda, before any discussion takes place on the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

3

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of item 21 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part I, Schedule 12A of the Act.

4 **QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 19**

A period of up to 15 minutes will be set aside to deal with questions to the Committee from members of the public.

Details of questions should be notified to the Assistant Chief Executive at least three working days prior to the meeting. Further information and a copy of the procedure are available from Member Services (265275) also on the Council web site: <http://www.exeter.gov.uk/scrutinyquestions>

5 **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER 20**

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

6 **INTERIM AUDIT REPORT**

The Council's External Auditor, Grant Thornton, will present the report to Members – 1 - 24
report circulated

7 **PORTFOLIO HOLDERS TO PRESENT THE PRIORITIES FOR THE FORTHCOMING YEAR**

Councillor Fullam (Leader and Portfolio Holder for Budget and Strategic Vision) and Councillor Cole (Portfolio Holder for Business Transformation and Human Resources) will present a verbal report on the priorities for the forthcoming year in light of the Committee's work programme.

PERFORMANCE MANAGEMENT

***MEMBERS ARE REQUESTED TO ADVISE THE MEMBER SERVICES OFFICER OF ANY QUESTIONS OR ISSUES ON PERFORMANCE MONITORING REPORTS BY 9.00 AM ON THE DAY OF THE MEETING.**

8 **AIM PROPERTY MAINTENANCE OUTTURN REPORT 2008-09**

To consider the joint report of the Head of Contracts and Direct Services/Head of Housing Services/Head of Treasury Services and Head of Estates – *report circulated (Monitoring Schedule available on request and on the Internet).* 25 - 28

9 **ANNUAL RESULTS OF PERFORMANCE MONITORING 2008-09**

To consider the report of the Director Corporate Services – *report circulated* 29 - 42

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

- 10 **CAPITAL MONITORING 2008-09**
- To consider the report of the Head of Treasury Services – *report circulated* 43 - 62
- 11 **OVERVIEW OF THE REVENUE BUDGET 2008-09**
- To consider the report of the Head of Treasury Services – *report circulated* 63 - 76
- 12 **TREASURY MANAGEMENT 2008-09**
- To consider the report of the Head of Treasury Services – *report circulated* 77 - 80
- 13 **ANNUAL GOVERNANCE STATEMENT**
- To consider the report of the Chief Executive and the Head of Treasury Services – *report circulated* 81 - 90
- 14 **DELIVERING VALUE FOR MONEY**
- To consider the report of the Head of Treasury Services – *report circulated* 91 - 96
- 15 **REVIEW OF EQUALITIES**
- To consider the report of the Director Corporate Services - *report circulated* 97 - 102
- 16 **LEISURE FACILITIES MANAGEMENT - A NEW CONTRACT**
- To consider the report of the Head of Leisure and Museums – *report circulated* 103 - 110

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES

- 17 **REVENUE FINAL ACCOUNTS 2008-09**
- To consider the report of the Head of Treasury Services – *report circulated* 111 - 116
- 18 **WORKFORCE PROFILE REPORT 2008-09**
- To consider the report of the Head of Human Resources – *report circulated* 117 - 126

19 **ANNUAL LEARNING AND DEVELOPMENT REPORT 2008/2009**

To consider the report of the Head of Human Resources – *report circulated*. 127 - 132

20 **MEMBERS' ALLOWANCES PAID 2008-09**

To consider the report of the Assistant Chief Executive – *report circulated* 133 - 136

PART II: ITEM SUGGESTED FOR DISCUSSION WITH THE PRESS AND PUBLIC EXCLUDED

MATTER FOR CONSIDERATION BY THE EXECUTIVE

21 **PROGRESS ON RAMM DEVELOPMENT PROJECT**

To consider the report of the Head of Leisure and Museums – *report circulated to members* 137 - 140

DATE OF NEXT MEETING

The next **Scrutiny Committee - Resources** will be held on Wednesday 16 September 2009 at 5.30 pm

FUTURE BUSINESS

The schedule of future business proposed for this Scrutiny Committee and other Committees of the Council can be viewed on the following link to the Council's website: <http://www.exeter.gov.uk/forwardplan>
Councillors can view a hard copy of the schedule in the Members Room.

Membership -

Councillors Coates (Chair), D J Morrish (Deputy Chair), M A Baldwin, P J Brock, Choules, R M Hannaford, Hobden, Martin, Noble, Prowse, Shepherd, Thompson and Wardle

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 Member Services Officer on (01392) 265275 for further information.

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Exeter City Council

Interim Audit Report

External Audit 2008-09

June 2009

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Appendices

A Action Plan

B Follow up of 2007-08 Recommendations

1 Executive Summary

Introduction

This report summarises the findings from our interim audit, carried out in accordance with the requirements set out in our 2008-09 Audit Plan. As part of this work we have considered:

- the extent to which we can place reliance on the work of Internal Audit;
- the adequacy of the controls over information technology;
- the adequacy of controls over the financial reporting process;
- the key systems in place at the Council and the adequacy of the key controls in operation;
- the adequacy of arrangements for year-end closedown and the preparation of the annual accounts; and
- the level of fraud risk at the Council and the surrounding controls in place.

Key messages for the Council

We completed a full review of the Council's Internal Audit Service in 2007-08, to assess its overall level of compliance against the CIPFA internal audit standards. We have revisited our findings this year to assess the progress made in responding to recommendations made last year. Overall, we have concluded that Internal Audit comply with the standards, however continuing action is required to ensure that our recommendations from 2007-08 are fully implemented.

Our information systems specialist performed a high level review of the general IT control environment, as part of our assessment of the overall internal control system and concluded that, from the work undertaken to date, there are no significant weaknesses which could adversely impact on the Council's financial statements, though we have made two recommendations to improve the adequacy of IT controls.

We found that the Council's processes and controls for financial reporting were generally sound with only minor weaknesses identified regarding journals.

We have assessed the arrangements in place to ensure that the financial statements and supporting papers are produced within statutory reporting deadlines and consider them to be appropriate.

We have followed up the action plan arising from the 2007-08 interim and final accounts audits and have attached this for completeness at Appendix B . Good progress has been made and we shall revisit this action plan as part of our review of the final accounts audit in July 2009.

Use of this report

This report is part of a continuing dialogue between the Council and us and is not, therefore, intended to cover every matter, which came to our attention. Our procedures are designed to support our audit opinion and they cannot be expected to identify all weaknesses or inefficiencies in the Council's systems and work practices.

The report is not intended for use by third parties and we do not accept responsibility for any reliance that third parties may place on it.

The Way Forward

We have discussed our findings with officers and agreed the actions required to implement the recommendations, which are set out at Appendix A. We have summarised the recommendations arising from our previous audit reviews, where action remains outstanding, in Appendix B.

We will complete our remaining work as part of the audit of the Final Accounts and our Use of Resources assessment and discuss any issues arising with management. These will then be summarised in our ISA 260 report.

Acknowledgements

We would like to take this opportunity to thank the officers who have been involved in our interim audit for their assistance and co-operation.

2 Review of Internal Audit Function

We review Internal Audit's overall arrangements against the CIPFA Standards for Internal Audit to ensure that they are adequate to produce robust and reliable work. Where the arrangements are deemed to be adequate, we can gain assurance from the overall work undertaken by Internal Audit and can conclude that, the service in itself, is contributing positively to the internal control environment and overall governance arrangements within the Council.

In accordance with professional standards and our audit approach, a comprehensive review is only undertaken every three years unless there is an indication that a more frequent review is required.

A full review was carried out in 2007-08. In 2008-09, our work has involved reviewing the Council's progress in implementing the recommendations raised in our 2007-08 interim audit report and ensuring that there has been no significant changes to the internal audit service.

In addition, where Internal Audit have completed specific work and detailed testing on an area that we have determined as representing an accounts risk to the Council's financial statements, we will review this work in detail, to establish whether we can place reliance upon the testing they have undertaken and the conclusions reached. Where we seek to place reliance on specific areas, we undertake re-performance work to ensure that we would have drawn the same conclusions from the testing undertaken and resultant findings. This approach ensures that we maximise the assurance gained from Internal Audit's work in addressing the risk factors we have identified from our overall review of the financial statements and minimises the duplication of audit work.

Findings and recommendations

We reported in 2007-08 that internal audit should ensure that a review and update of system notes is evidenced each year for the individual audits.

Our follow up work in 2008-09 has found that whilst there was some evidence of review and update of system notes, that this was not consistent across all key financial systems reviewed, including income and expenditure cycles. We are aware that the new financial management system was implemented at the Council in 2008-09 and we would expect some processes and controls to have changed during the year as a result of this. There is a risk that reviews undertaken do not identify all of the key transaction cycles operating within the system as a whole, and may not identify all of the controls that are in place within those systems.

Recommendation 1

We recommend that internal audit should review and update system notes each year for individual audits and ensure this is appropriately evidenced on the audit file.

Our interim audit has included a review of the internal audit work undertaken in the year and the subsequent reports produced and distributed to relevant officers. For the creditors audit, we observed that detailed work had been carried out in line with the audit scope but due to the nature of the audit findings, which related to the operation of controls in individual services as opposed to central treasury processes, a formal report was not issued to officers. Instead memos reminding Heads of Service and relevant staff of the requirements for the area were issued.

To ensure that the full findings from the audit review are reported together with the overall assurance on the system, a formal audit report should be produced and issued.

Recommendation 2

We recommend that for key financial system reviews formal audit reports should be issued.

3 Review of Information Technology controls

Our information systems specialist performed a high level review of the general information technology (IT) control environment as part of our overall review of the internal control system.

Like all major organizations, the Council makes extensive use of IT to process financial transactions and to produce their financial statements. The principal finance system is Cedar e-financials. This is an off-the-shelf purchased package which is supported by three finance system administrators. A number of other key systems interface into Cedar, including Council Tax and NNDR data from the Academy system.

We are pleased to note that the IT Department is well structured and organised, providing the Council with a robust control environment. The IT Department manage and administer the network upon which the finance system resides. Although there is a support contract with Cedar, who provide a managed service, it is the IT Department who enable access to Cedar and also undertake some development work in order to bridge the gap between legacy systems and Cedar, for certain data transfer.

The Council has also just received confirmation of their compliance with the Government Code of Connection, reflecting the Council's increased network security to comply with Government standards.

We have completed our review and concluded that there were no significant weaknesses within the IT arrangements that could adversely impact our audit of the accounts. However two recommendations where arrangements could be further enhanced are identified below:

Findings and recommendations

Our review found that change management documentation is currently being developed. This documentation is important to ensure that the Council is aware of the procedures required and there is a systematic approach to change management.

Recommendation 3

IT Management should continue to develop the change management documentation and ensure that it is formally approved and made available to staff as appropriate.

Our review identified that there is no Intrusion Detection System (IDS) in place at the Council. IDS software is designed to alert the Council if any data traffic is detected moving outside of pre-defined settings. Such movement could indicate a potential breach of security. By having an IDS, the IT department could be more effective at protecting the network by responding immediately to potential risks.

The absence of this software may place the Council at risk as it maybe unaware of an attacker attempting to gain unauthorised access and therefore not be in a position to take prompt action.

Recommendation 4

We recommend that IT management consider implementing an Intrusion Detection System.

4 Review of Financial Reporting Controls

Our interim audit at the Council included a high level review of the controls in place and an assessment of the Council's Treasury Management arrangements, including compliance with guidance and the current reporting processes at the Council.

A revised treasury management report was approved by members in December 2008 as part of the 2009-10 budget setting process. This was revised to ensure restrictions were placed over investments, limiting in-house investments to UK institutions only, in response to the collapse of the Icelandic Banks and concerns over other financial institutions.

CIPFA issued a Treasury Management panel bulletin in March 2009 setting out interim advice to local authorities on treasury management practices to ensure best practice and to minimise the risks faced by the Council involved in investment decisions.

Findings and recommendations

From a review of the Council's revised policy and with reference to the CIPFA bulletin, we consider that there are opportunities for the Council to further improve current practices through providing further additional information to members and actively using benchmarking data to assess investment performance.

CIPFA are intending to issue formal guidance through a revised Treasury Management Code and Guidance Notes for Local Authorities following consultation in 2009. The Council should ensure they are aware of the impact of this code and are able to demonstrate that they have the proper practices in place to further exposure to risk in its treasury management arrangements.

Recommendation 5

We recommend that additional information on the performance of the Council's Treasury Management function should be reported to members on a quarterly basis, including information that has been benchmarked to market data, referring to security, liquidity and yield performance.

We reported in 2007-08 that the Council should investigate the reporting abilities of the new financial management system, including reporting on balance sheet items and cash flow data.

Reporting this additional information will improve transparency of the Council's performance and its balance sheet position throughout the year leading up to the annual statement of accounts. This will further enhance the Council's budgetary control arrangements allowing them to focus not just on its income and expenditure position, but will also enable the Council to identify mis-postings to a balance sheet code in advance of preparing its annual financial statements for the year.

The Council agreed to this recommendation in 2007-08 but this has not progressed further. We have repeated this recommendation in 2008-09 to prompt the Council to investigate the ability and the benefits of reporting this additional information to improve transparency of the financial position of the Council.

Recommendation 6:

The Council should investigate the reporting potential of the new financial management system including balance sheet items and cash flow data.

5 Review of Key Financial Systems

We have reviewed and documented the key systems in place at the Council including the system and controls for the following:

- Main Accounting System;
- Income and Debtors;
- Expenditure and Creditors;
- Housing and Council Tax Benefits;
- National Non Domestic Rates;
- Cash and Treasury Management; and
- Payroll.

These systems have been identified as part of our audit work as the key systems in the Council that will generate balances for the statement of accounts for the year ending 31 March 2009.

We have assessed the key expected controls in place for each system and reviewed the actual controls and processes that are undertaken at the Council. Where possible, we have been able to use the work undertaken by internal audit in the year to assist with this documentation.

Based on the work undertaken, we have gained assurance that the key expected controls are in place and are operating effectively. However, we have identified a number of areas where controls can be improved to strengthen the current system of internal control.

Findings and Recommendations

In 2007-08 we reported that the Council should introduce a requirement for independent approval of journals above predetermined thresholds. From our review of the systems, we note that this requirement has yet to be introduced.

There remains a risk to the Council that inappropriate or erroneous journals are processed that impact upon the financial statements, although the extent of this risk is mitigated through the small number of people who have access to process journals on the financial system.

Recommendation 7:

We recommend that the Council introduce a requirement for independent approval of journals above predetermined thresholds.

From our review of the expenditure and creditor transaction cycles, we note that the new financial system is able to report on the average time taken to pay invoices, i.e. creditor payment days, for the Council overall which are reported to members through the quarterly stewardship reports.

However, this information does not currently enable the Council to review performance by service areas. This has been raised by internal audit in the year as a recommendation to officers.

There is a risk that the total value for creditor payments are masking the performance of individual service areas, where improvement may be required.

Recommendation 8:

The Council should investigate how to produce reports showing the performance of service areas under the creditor payment day targets.

In 2008-09 internal audit completed a number of reviews within the main accounting system, and found that the procedure notes used by the financial accountants have not been updated for the new financial management system implemented on 1 April 2008. We confirmed that no progress had been made at the time of our own review on the documentation for the main accounting system in April 2009.

There is a risk that inappropriate procedures are followed, which could lead to errors in the financial system and subsequently impact on the statement of accounts.

Recommendation 9:

The financial procedure notes should be updated as soon as possible to reflect the procedures required in the new financial management system.

6 Review of closedown procedures and timetable and arrangements to prevent and detect fraud

Our work at the interim audit has included discussions with key officers on the closedown preparations being undertaken for the preparation of the statement of accounts and observing the arrangements in place to prevent and detect fraud.

The statement of accounts for the year ending 31 March 2009 are being prepared on the new financial management system, which was fully operational throughout the period.

We are pleased to note that the Council has been proactive in preparing for the closedown period and has been actively using the system support packages in advance of the year end to assist them in understanding the processes involved and to identify any expected issues early on in the process.

Findings and Recommendations

Our work in 2007-08 identified that clear written procedures should be prepared for the creation and treatment of year end creditors and accruals. From discussions with officers, we have identified that procedure notes have not been produced. When producing these notes, they should reflect the general updates from the office procedure manual.

Without clear guidance, there is a risk that accruals are not correctly processed and that these then impact on the financial statements.

Recommendation 10:

We recommend that clear written procedures should be drawn up for the creation and treatment of accruals.

7 Preparation for the 2008-09 Statement of Accounts

We would like to draw officers' attention to the following areas where there have been changes introduced through the 2008 SORP that impact upon the 2008-09 financial statements. We have held discussions with finance officers at Council, on a number of these areas, and will continue to provide support to the Council on these issues during the preparation of the financial statements. The key changes include:

- the valuation treatment of 'specialist properties' in light of additional clarification in the 2008 SORP;
- back pay arising from unequal pay claims. The 2008 SORP confirms treatment that any amounts provided for should be accounted for in accordance with the criteria specified in Financial Reporting Standard (FRS 12), with the impact on Council Tax reversed through creating a new reserve called the 'Unequal Back Pay Account';
- treatment of capital receipts i.e. income that is defined by statute as a capital receipt even though it does not arise from the disposal of a fixed asset. This would mainly relate to repayments of capital grants; and
- presentation of the Cash Flow Statement.

In addition, we set out below, other additional issues that we have discussed with the Council during the course of our audit.

Valuation of Assets

The impact of the current economic climate on the Council will affect a number of areas within the statement of accounts. This, in particular, has resulted in more volatile assets values.

Paragraph 3.121 of the 2008 SORP requires tangible and intangible assets carried in the Balance Sheet at current value, to be revalued at intervals of not more than five years. This is to ensure that the amounts carried in the Balance Sheet are materially correct. The Council needs to ensure that the impact of the current economic climate is considered, and where there are circumstances such that a diminution in value is identified, an impairment should be recognised in accordance with Financial Reporting Standard (FRS) 11.

We have, as part of our interim audit, held discussions with the Council's finance team and property valuation team to discuss their approach to reviewing whether asset values need to be revised and are satisfied with their proposed methodology. We will review the reasonableness of any accounting entries prepared to reflect these valuations as part of our audit of the financial statements.

Investments deposited in Icelandic Banks

The Council was affected by the collapse of the Icelandic Banks. It held investments of £3 million with Landsbanki on a short term deposit that was due to mature on 3 November 2008 and £2 million deposit with Glitnir Bank due to mature in December 2008.

CIPFA has provided advice on the accounting arrangements for authorities with deposits in these banks and has recently released LAAP bulletin 82 which provides further information regarding the level of impairment to be recognised in the Council's accounts in 2008-09.

We will continue to work with the Council to interpret the requirements of the LAAP bulletin to enable them to prepare the required accounting entries. We will verify the validity of these calculations as part of our final accounts work.

International Financial Reporting Standards

From 2010-11, the Council are required to prepare their Statement of Accounts under International Financial Reporting Standard (IFRS) based on an IFRS Code of Practice on Local Authority Accounting prepared by CIPFA. As part of the interim audit, we have discussed with the relevant officers their readiness for conversion to IFRS and the preparation they have undertaken to date.

We are pleased to note that the Council are making positive steps towards conversion and in working in partnership with other Council's locally through the Devon Accounting Group for IFRS implementation, led by Devon County Council.

We have been informed that Devon County Council are currently compiling an IFRS project plan which the officers at Exeter City Council are planning to adopt and follow for consistency across Devon.

With regard to the LAAP bulletin 80 (CIPFA, March 2009), the Council will benefit from supplementing this with a specific Exeter based project plan, to include:

- key dates required to achieve IFRS compliant accounts for 2010-11;
- identification of the information required to feed into the IFRS accounts (for example, for employee benefits from human resources and payroll, lease holdings from Estates, etc);
- identification of the resources required and any subsequent skill gaps that require addressing;
- identification of the chart of account changes that are required, and the date this needs to be undertaken;
- identification of external support required, for example if the opening balances are requested to be audited by an external body;
- identification of financial resource implications; and
- the capabilities of the financial management system, and changes required, to prepare information and the key dates for testing these.

Without a detailed and specific project plan, there is a risk that the Council has not fully assessed the impact of IFRS for the Council and the resulting implications for its own systems and processes to produce IFRS accounts.

Recommendation 11:

The Council should develop and agree an IFRS project plan for Exeter City Council to ensure they are in a position to prepare the 2010-11 statement of accounts under the IFRS based Code of Practice on Local Authority Accounting in accordance with the CIPFA timetable.

The LAAP bulletin encourages authorities to discuss their project plans with those responsible for governance arrangements to ensure that there is support for the implementation and that the Council is fully aware of the requirements.

Without support from members responsible for governance, there is a risk that the IFRS implementation is not given the support required.

Recommendation 12:

The Exeter project plan for the preparation of IFRS based statement of accounts in 2010-11 should be presented to those charged with governance for consideration, at the earliest opportunity.

A Action Plan

No	Recommendation	Management Response	Responsible Officer & Timescale
1	We recommend that internal audit should review and update system notes each year for the individual audits and ensure this is appropriately evidenced on the audit file.	Agreed.	Ed Heaton Ongoing
2	We recommend that for key financial system reviews formal audit reports should be issued.	We proposed that in future, a formal report will be sent to the Head of Treasury of the results of our audit.	Ed Heaton Ongoing
3	IT Management should continue to develop the change management documentation and ensure that it is formally approved and made available to staff as appropriate.	This is work in progress and will be completed on schedule.	Head of IT services Oct 2009
4	We recommend that IT Management consider implementing an intrusion detection system.	This will be considered in consultation with the Devon IT Managers' Group.	Head of IT Services Dec 2009
5	We recommend that additional information on the performance of the Council's Treasury Management function should be reported to members on a quarterly basis, including information that has been benchmarked, referring to security, liquidity and yield.	Agreed partially. We can produce quarterly benchmarked performance data showing how are investment return compares. Please could you offer examples of what information could be provided.	Andy Stark & Dave Hodgson
6	The Council should investigate the reporting potential of the new financial management system including balance sheet items and cash flow data.	Agreed	David Hodgson Dec 2009

No	Recommendation	Management Response	Responsible Officer & Timescale
7	The Council should introduce a requirement for independent approval of journals above predetermined thresholds.	Agreed. We need to agree a suitable threshold level for journals.	Brenda Steer Dec 2009
8	The Council should investigate how to produce reports showing the performance of service areas under the creditor payment day targets.	Agreed.	Brenda Steer Sept 2009
9	The financial procedure notes should be updated as soon as possible to reflect the procedures required in the new financial management system.	Agreed.	Brenda Steer & Dave Hodgson March 2010
10	Clear written procedures should be drawn up for the creation and treatment of accruals.	Agreed.	Brenda Steer & Dave Hodgson March 2010
11	The Council should develop and agree an IFRS project plan to ensure they are in a position to prepare the 2010-11 statement of accounts under the IFRS based Code of Practice on Local Authority Accounting.	Agreed. A project timetable will go to Final Accounts Cttee in June 09	Dave Hodgson June 2009
12	The project plan for the preparation of IFRS based statement of accounts in 2010-11 should be presented to those charged with governance for consideration, at the earliest opportunity	Agreed. A project timetable will go to Final Accounts Cttee in June 09	Dave Hodgson June 2009

B Follow up of 2007-08 Recommendations

Recommendation	Follow Up	Further Action Required
<p>Internal Audit There should be a formal programme for audit staff to rotate across audit areas</p>	<p>Discussed with Audit and noted that in 2008-09 some areas were subject to rotation for example within Housing and Accounting reviews.</p>	<p>No concerns noted from our interim audit review in 2008-09 therefore no follow up action required.</p>
<p>Audit Committee Consider establishing an independent Audit Committee in line with CIPFA standards.</p>	<p>Noted that this has not progressed depending on the outcome of the Council's application for Unitary Status.</p>	<p>Recommendation has not been re-raised in 2008-09 but will be kept under review depending on the outcome of the unitary status application.</p>
<p>Internal Audit A formal audit strategy should be developed and presented to the Scrutiny Resources committee, to support the annual operational plan.</p>	<p>The audit plan was reported to members of the Resources Scrutiny Committee 25th March 2009, including reference to the audit strategy.</p>	<p>None.</p>
<p>Internal Audit Internal Audit should produce formal audit plans detailing the scope and any limitations for individual arrangements and discuss and agree these with the relevant managers before audit work begins. Internal Audit should hold these plans on file as evidence of audit planning.</p>	<p>Our review confirmed that audit scopes are being discussed and sent out to the relevant service line manager in advance of the audit.</p>	<p>None.</p>

Recommendation	Follow Up	Further Action Required
<p>Internal Audit The Head of Audit should formally document the review process undertaken and ensure the review is evidenced on electronic working papers.</p>	<p>Our review confirmed that there is evidence of review by the Head of Audit on relevant working papers.</p>	<p>None.</p>
<p>Internal Audit The Head of Audit should ensure the annual report contains a comparison of actual work against the operational plan and also report against the performance measures and targets set for the financial year.</p>	<p>Discussions with audit have confirmed that the annual report will contain performance information. This is expected to be published in June 2009.</p>	<p>Report to be reviewed when issued in June 2009.</p>
<p>Internal Audit Internal Audit should ensure that a review and update of system notes is evidenced each year for the individual audits.</p>	<p>Our follow up work in 2008-09 has found that the internal audit files do not evidence that system notes have been updated for the main financial system, including income and expenditure cycles.</p>	<p>Recommendation raised in 2008-09 (see recommendation 1).</p>
<p>Entity Controls The Council should introduce a requirement for independent approval of journals above predetermined thresholds.</p>	<p>Discussions with officers noted that this was agreed and has not yet been implemented, therefore they will investigate the capabilities on the system. A predetermined threshold has yet to be agreed.</p>	<p>Recommendation raised in 2008-09 (see recommendation 7)</p>

Recommendation	Follow Up	Further Action Required
<p>Information Technology</p> <p>There should be a process in place to ensure that all users have signed up to the appropriate policies.</p> <p>User lockout should be increased to three attempts.</p> <p>A Request For Changes (RFC) form should be implemented</p>	<p>The work completed by our IT specialist has not identified these issues as re-occurring.</p>	<p>None</p>
<p>Information Technology</p> <p>Management should ensure that all end user testing results are being fed into the project documentation.</p>	<p>The work completed by our IT specialist has not identified these issues as re-occurring.</p>	<p>None</p>
<p>Closedown Procedures</p> <p>The aged debtor balances should be included in the quarterly budget reports sent to members, to allow members to review the levels of aged debt at the Council.</p>	<p>Agreed to the Scrutiny Report to the Resources Committee that the aged debtor balance is reported along with comparative data from previous periods.</p>	<p>None.</p>
<p>Closedown Procedures</p> <p>The invoice payment days and creditor balances should be reported to members on a quarterly basis, within the finance reports already presented.</p>	<p>Discussed with internal audit, and officers within treasury services.</p> <p>It was noted that this reporting on creditor payment days at a department level is a concern for the Council and a new reporting tool is to be implemented in July 2009.</p>	<p>Recommendation raised in 2008-09 (see recommendation 8)</p>

Recommendation	Follow Up	Further Action Required
<p>Closedown Procedures Clear written procedures should be drawn up for the creation and treatment of accruals.</p> <p>A de-minimus level for creating accruals should be discussed by the Treasury Service Managers and guidance given to all treasury service officers.</p>	<p>Written Procedures Noted that this is still to be updated in line with the general updates for the office procedure manual.</p> <p>This guidance has not been prepared for closedown.</p> <p>De Minimus Level Noted that this has not been introduced for 2008-09 closedown.</p>	<p>Written Procedures Recommendation raised in 2008-09 (see recommendation 10)</p> <p>De Minimus Level Accruals actually made will be reviewed as part of the final accounts audit for number and value.</p>
<p>Budgetary Control The virement procedures should be followed and all virements should have evidence of authorisation.</p>	<p>The internal audit review on budgetary control has not identified any specific concerns on virement procedures.</p>	<p>None.</p>
<p>Budgetary Control The Treasury service Managers should investigate the reporting abilities of the new financial management system.</p> <p>In particular, the Council could benefit from reporting an actual and forecast Balance Sheet and Cash Flow data to members on a quarterly, or half yearly, basis.</p>	<p>Although the Council agreed to this recommendation this has not progressed further.</p>	<p>Recommendation raised in 2008-09 (see recommendation 6).</p>
<p>ISA260 Report - Journal Entries We recommend that a policy is introduced for authorization of journals. In addition an option for electronic authorisation should be investigated with the new financial management system.</p>	<p>As above.</p>	<p>Recommendation reported (7)</p>

Recommendation	Follow Up	Further Action Required
<p>ISA260 Report - Age of outstanding debtors</p> <p>The Council should review the status of bad debts and review the recoverability of the debtors and look into writing of the debts rather than creating a provision each year.</p>	<p>The Council have implemented a Corporate Debt Policy (approved by Scrutiny Resource Members on 28 Jan 2009) to formalise the procedures throughout the Council.</p>	<p>Outstanding Debts to be reviewed as part of the Statement of Accounts audit 2008-09.</p>
<p>ISA260 Report - Commercial Rent Debtors and Income</p> <p>The Council should implement a process to ensure that invoices raised are recognised in the correct periods. This should ensure that all receipts are accrued for and accounted for in the year to which they relate, and not to the year that they are processed or received.</p>	<p>Noted that an additional exercise is being undertaken to identify the invoices sent out in March to identify the period to which they relate.</p>	<p>Rental income and debtors to be included within the debtor and income testing as part of our statement of accounts audit.</p>
<p>ISA260 Report - General Fund Reserve</p> <p>The Council should consider setting a maximum level for the amount of general fund reserves held. This will allow the Council to mitigate the risk of collecting money from council tax payers in advance of need, Furthermore the Council should assess the opportunity cost of holding this level of general fund reserves.</p>	<p>The Council amended the reserves policy to ensure there is a minimum level of £2m.</p> <p>The Council have not calculated the opportunity cost of holding general fund reserves.</p>	<p>We will review the final outturn and compare the actual balance on reserves with the planned balances at 31 March 2009 in the Medium Term Financial Plan.</p>
<p>ISA260 Report - Lease Agreements</p> <p>The Council should conduct a full review of the lease payments they are paying out each year and confirm that they are still receiving the services that they have entered into and that supporting lease documents are held.</p>	<p>Noted issue of lease agreement from 2007-08 - this is still being chased up DH with the lease company.</p>	<p>This will be reviewed as part of the Statement of Accounts audit in 2008-09.</p>



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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 2 JUNE 2009

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

AIM PROPERTY MAINTENANCE OUTTURN REPORT 2008/2009

1 PURPOSE OF THE REPORT

- 1.1 This is the fourth quarterly/outturn report, covering the period from January to March 2009 (but including updated figures at 29 April 2009). The outturn report details the financial position of the £7m programme of reactive and planned property maintenance and refurbishment at the end of 2008/9, but before final closure of accounts. This report covers just Revenue funded housing and non-housing schemes as approved by Council for the financial year 2008/2009. In some cases this programme further includes budgets for schemes rolled forward from 2007/2008. Where necessary this report will provide specific details on significant programme variations.

2 BACKGROUND

- 2.1 The Council approved the following:

	£
(a) Housing Reactive Repairs	3,419,600
(b) Housing Servicing Contracts	625,710
(c) Housing Maintenance Works	568,500
(i) Service Recharges	276,630
(h) Lease Requirements	101,330
(d) AIM Priority Programme	1,007,840
(j) AIM Reactive Repairs	515,760
(g) AIM Service Contracts	352,530
(k) AIM Operational Essentials	123,790

Total £ 6,991,690

- 2.3 The level of spending against the specifically monitored budgets in 2008/2009 above shows underspend of £111,000 overall (1.6%).

A copy of the full financial monitoring report is available on the Council's website.

HOUSING

- 2.4 **Housing Reactive Repairs Generally – overall budget £3,419,600**

This budget is split into eight separate parts in order to better raise and monitor orders and control work and costs. As all these provisions are for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. However, spending in this year brings overspend of some £189,000. This overspend has arisen due to a general increase in the cost of repairs and an increased amount

of reactive repair orders issued. Nevertheless such overspend has effectively been negated due to savings on other revenue based budgets and the use of contingency funds allocated for Housing Services

2.5 Gas and Central Heating Servicing – budget £515,000

This budget is set to provide the statutory requirement to inspect and service gas appliances in tenanted properties on an annual basis. Over time, whilst the actual cost in carrying out such servicing work has risen, costs have also risen due to the increasing numbers of gas appliances fitted as a result of the extensive central heating installation programme. Spending this year shows overspend in the order of £22,000, but such overspend is compensated by use of contingency sums.

2.6 Fire Alarms/Emergency Light Testing – budget £22,660

This budget is set to provide the statutory requirement to test fire alarms and emergency lights in sheltered accommodation on an annual basis. This year additional costs have been incurred due to maintenance needs allied to these testing regimes. Overspend of some £5000 has occurred.

2.7 Lift Maintenance – budget £12,730

This budget was originally set to cover for repairs and maintenance work ostensibly to passenger lifts. However, with the amount of repairs needed this year spending has exceeded the budget by some £6,000. This situation has arisen mainly due to the number of stair lifts which have since been installed to tenanted properties. After their warranty period has expired, the amount of repair work required in respect of these stair lift installations has increased expenditure against this budget.

NON-HOUSING

2.8 City Wall Repairs – budget £57,000

This budget was set to deal with repairs and preventative maintenance to various parts of the City wall. The overspend of £8000 expected when final costs are established has occurred due to issues in overcoming the proximity of gas service pipework and fibre optic cabling issues when carrying out repairs.

2.9 Chapels at Higher Cemetery Repairs – budget £57,000

Repairs required at this location to deal with the issue of water ingress from roof and through walls proved more costly than envisaged. When scaffolding was erected to allow better inspection of the roof and walls unforeseen problems were revealed that required urgent attention. Consequently overspend of some £15,000 was incurred.

2.10 Non-Housing Reactive Repairs Generally – overall budget £515,760

This budget is split into ten separate parts in order to better raise and monitor orders and control work and costs. As all these provisions are for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. Consequently whilst six of these part budgets indicate overspend this year, this is part compensated by underspend elsewhere within the overall budget provision for reactive repairs. Nevertheless, against this particular overall budget, overspend of some £133,000 has been sustained this financial year.

2.11 **Operational Essentials Generally – overall budget £123,790**

This budget is split into four separate parts in order to properly allocate requisite amounts to certain facilities. This allows facility managers to have transparent financial support to enable them to more quickly and easily organize repair and maintenance issues to keep facilities open and safe for the public. Again, repair issues are difficult to predict and therefore financial provisions can prove to be adequate or less so. Consequently one of these budget parts, specifically relating to spending the Canal provision, has brought overspend of some £26,000 but this is more than balanced by underspend elsewhere within the overall budget for operational essentials.

3 RECOMMENDED

- (1) that the outturn financial position of the £7m programme of reactive and planned property maintenance and refurbishment for 2008/2009, as detailed above be noted.

HEAD OF CONTRACTS AND DIRECT SERVICES
HEAD OF HOUSING
HEAD OF ESTATES
HEAD OF TREASURY SERVICES

S:PA/LP/ Committee/609SCC9
20.5.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

None

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

ANNUAL RESULTS OF PERFORMANCE MONITORING 2008/09

1. PURPOSE OF REPORT

- 1.1. To report the annual figures for those statutory and local performance indicators that relate to services provided by the Corporate Services Directorate.

2. BACKGROUND

- 2.1. The Council's Corporate Plan sets out the Council's priority work areas (corporate objectives) for 2008-09. Performance indicators are used to measure progress against these objectives and regular monitoring ensures that the Council is on track to meet its targets, or that remedial action is taken where necessary. Performance results are also compared annually with similar councils to assess the efficiency and effectiveness of services.
- 2.2. Local indicators are chosen by the council to reflect specific priorities and to provide useful management information. National indicators are prescribed by the Government. In October 2007, the government published a new single set of 198 national indicators (NIs). The NIs replace all previous indicators, including best value performance indicators, but the majority apply to single tier/county councils.
- 2.3. Members play an important role in reviewing performance. The attached tables contain the figures for those national and local performance indicators that relate to services provided by the Corporate Services Directorate. Commentary is provided on the results to provide context and to explain any variance from targets and any remedial action taken.
- 2.4. In addition, the tables also include the national indicators which have been collected through the new Place Survey. This is because all services can have a positive impact against these indicators.
- 2.5. Three year targets for many of the national indicators have not been agreed. This is because, in most cases, there is no baseline data available against which targets can be set. Further work will be undertaken during the course of the year to agree challenging three-year targets against each of these new indicators.

3. RECOMMENDATION

- 3.1. That members consider the report and indicate whether they wish to receive any further information on any particular issue(s).

DIRECTOR CORPORATE SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended).

Background papers used in compiling the report:




None

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Performance Indicator Results 2008/09

How to interpret the performance report

Performance is shown as a comparison to the annual target. A tolerance is set for each indicator, allowing performance to be shown as on target within a certain percentage. The following symbols are used.

-  The Green Star shows that performance is better than target
-  The Blue Circle shows that performance is on target, within the tolerance
-  The Red Triangle warns that performance is below target and outside the tolerance

-  The green tick indicates that the annual figure for 2008/09 is better than the annual figure for 2007/08
-  The black arrow indicates that there is no change between the annual figures for 2007/08 and 2008/09
-  The red cross indicates that the annual figure for 2008/09 is worse than the annual figure for 2007/08

	Year End 07/08	Year End 2008/09	Actual recorded figure 2008/09	Target Annual 08/09	Performance 2008/09	Compared to 07/08	Target 09/10	Target 10/11	Target 11/12	Commentary	Tolerance
LPI HO5 % of responsive repairs completed within target timescales	92.99	95.76	95.00	95.00							5

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Performance Indicators 2008/09

SO2: Enhance and protect the environment, reducing the causes and minimising the impact of climate change												
Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 185	CO2 reduction from local authority operations	Policy Unit	New indicator	New indicator	New indicator	n/a	n/a	New indicator	New indicator	New indicator	To be reported in July 2009	10
NI 194	Air quality % reduction in NOx and primary PM10 emissions through local authority's estate and operations	Policy Unit	New indicator	New indicator	New indicator	n/a	n/a	New indicator	New indicator	New indicator	To be reported in July 2009	10

Performance Indicators 2008/09

SO3: Further improve the character of the city and facilities for culture and leisure												
Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 119	Self reported measures of people's overall health and wellbeing	Comms	New indicator	82.00	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc

Performance Indicators 2008/09

S04: Maximise the potential of all our citizens by tackling social disadvantage and deprivation												
Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 001	% of people who believe people from different backgrounds get on well	Comms	New indicator	79.60	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 002	% of people who feel that they belong to their neighbourhood	Comms	New indicator	48.90	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 017	Perceptions of anti-social behaviour	Comms	New indicator	15.80	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 022	Perceptions of parents taking responsibility for the behaviour of their children in the area	Comms	New indicator	31.80	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 023	Perceptions that people in the area treat one another with respect and dignity	Comms	New indicator	27.70	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 035	Building resilience to violent extremism	Comms	New indicator	2.70	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 041	Perceptions of drunk or rowdy behaviour as a problem	Comms	New indicator	34.00	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 042	Perceptions of drug use or drug dealing as a problem	Comms	New indicator	22.60	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 138	Satisfaction of people over 65 with both home and neighbourhood	Comms	New indicator	86.50	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 139	Over 65s who receive information, assistance and support to exercise choice and control to live independently	Comms	New indicator	26.80	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc

Performance Indicators 2008/09

Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
BV11a.02	Women in top 5% earners	Human Resources	18.00	16.98	29.00	▲	✘	29.00	29.00	29.00	Turnover remains static with little opportunity for improvement. The number of women has remained at 9 whilst the employees in this category has risen from 52 to 53 therefore reducing the average.	15
BV11b.02	Black/ethnic top 5% earners	Human Resources	4.00	3.77	4.00	▲	✘	4.00	4.00	4.00	Recruitment remains bias free with employment based on competency. Continued emphasis on improving the recruitment website and promoting positive imagery to attract more applicants from diverse backgrounds.	5
BV011c.05	Top 5% earners with a disability	Human Resources	2.00	1.89	2.00	▲	✘	2.00	2.00	2.00	Overall average employment numbers have reduced with little turnover in this area of employment. We are working with Living Options to promote disability and improve access across the Council.	5
BV016a	% employees with a disability	Human Resources	3.34	2.85	5.00	▲	✘	5.00	5.00	5.00	As is the case for all PI's relating to staff numbers there has been a small decline in total establishment which has affected the overall average. Working with Living Options and Mindful Employers has supported our commitment to securing employment for people with disability.	5



Performance Indicators 2008/09

Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
BV 017a	% employees from ethnic minorities	Human Resources	1.04	1.42	2.00			2.00	2.00	2.00	See BV11b - comments apply	5
BV002.a	Equality Standard Level	Policy	2.00	2.00	3.00			n/a	n/a	n/a	The Equality Standard has been replaced with the Equality Framework so this indicator will not longer be collected after 2008/09	10
BV002b	The duty to promote race equality	Policy	68.00	63.00	100.00			n/a	n/a	n/a	This is a composite indicator which no longer reflects the full range of our equality duties so this will not be reported after 2008/09	20
BV 174	Racial incidents per 1000 population	Policy	5.10	3.34	9.00			n/a	n/a	n/a	This indicator is meant to set the context for BV175 rather than be a performance measure in itself	1
BV 175	% of racial incidents that resulted in further action	Policy	100.00	100.00	100.00			n/a	n/a	n/a	Indicators BV174 and BV175 will no longer be collected after 2008/09	1

Performance Indicators 2008/09

SO6: Have strong clear governance arrangements that enable exeter's communities to influence and help shape decisions about their locality												
Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 003	Civic participation in the local area	Comms	New indicator	13.3	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 004	% of people who feel they can influence decisions in their locality	Comms	New indicator	28.2	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 006	Participation in regular volunteering	Comms	New indicator	26.7	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
LPI CC1	% dwellings which have returned voting registration form (excluding voids)	Corporate Customer Services	96.1	97.37	95	★	✓	95.00	95.00	95.00		5

Performance Indicators 2008/09

SO7. Use resources effectively and provide high performing, value for money services that focus on customer needs												
Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 14	Reducing avoidable contact: minimising the proportion of customer contact that is of low or no value to the customer	Corporate Customer Services	New indicator	7.80	New indicator	n/a	n/a	New indicator	New indicator	New indicator	This figure is expected to be lower than that of comparators. A benchmarking exercise is being undertaken before setting targets.	tbc
BV 12	Days/shifts lost to sickness absence	Human Resources	9.16	9.78	8.00			8.50	8.50	8.00	This indicator will be reported at Scrutiny Resources in June and will require consideration of proposals to further reduce absence to an acceptable level.	5

Performance Indicators 2008/09

Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
BV 014	% Employees retiring early (excluding ill-health)	Human Resources	0.95	0.25	0.05			0.20	0.20	0.20	This indicator shows a very small increase and is not considered to be of concern. Early retirement is monitored and approved through Executive with appropriate business cases being established.	5
BV 15	% Employees retiring on grounds of ill health	Human Resources	0.12	0.00	0.20			0.20	0.20	0.20		5
LPI HR1	% new staff receiving corporate induction	Human Resources	96.05	92.25	98.00			100.00	100.00	100.00	Induction is carried out over 3 half days. This is currently being reviewed to reduce time spent and to utilise where appropriate e-learning tools to enable corporate induction to be completed for all new starters.	2
LPI HR2	% employees receiving annual appraisal	Human Resources	77.84	97.00	90.00			100.00	100.00	100.00		2
LPI HR3	Average no. days training and development per employee	Human Resources	3.39	3.37	3.52			3.50	3.50	3.50		5
LPI HR4	No. IT training hrs per employee	Human Resources	2.86	2.31	5.00			3.00	3.00	3.00	There have been significant demands on IT training time such as E-Fims and Gov-Connect which has required resource allocation and has distracted from mainstream IT skills training. In general IT skills have improved with more general use and awareness therefore target hours per employee has been reduced for future years to reflect the true demand and requirement for training.	10
LPI IA3	Compliance with the CIPFA Code of Practice for Internal Audit in Local Government	Internal Audit	New indicator	97.30	95.00		n/a	98.00	98.50	99.00		
LPI IT2	% helpdesk calls responded to within agreed timescale	IT	98.72	98.59	100.00			100.00	100.00	100.00		5
LPI TR1	% return on investments against benchmark	IT	103.02	191.18	100.00			100.00	100.00	100.00	This indicator is used to measure the performance of the Council's fund manager.	5

Performance Indicators 2008/09

Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 179	Value for money - total net value of on-going cash-releasing gains since start of 2008-9	Treasury Services	New indicator	New indicator	New indicator	n/a	n/a	New indicator	New indicator	New indicator	This figure will not be reported until June 2009.	10
NI 180	The number of changes of circumstances affecting HB/CTB entitlement processed within the year	Treasury Services	New indicator	12851.00	10500.00	★	n/a new PI for 08/09	New indicator	New indicator	New indicator		10
NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	Treasury Services	New indicator	11.00	14.61	★	n/a new PI for 08/09	11.39	11.00	10.00		10
BV 008	% invoices paid within 30 days	Treasury Services	95.58	92.59	97.00	▲	✘	97.00	97.50	97.50	The introduction of a new financial management system from April 2008 has had a negative impact on the payment of invoices particularly in the first quarter. As staff have got used to the new ways of working together with system faults being rectified, performance has improved in quarters 3 and 4.	0
BV 009	% Council Tax collected	Treasury Services	97.33	97.38	97.80	▲	✓	97.00	97.50	97.50	Although the overall yearly target was not achieved, performance has improved significantly in the final quarter and this improved performance should now continue in 2009/10.	0.25
BV 010	% NDR collected	Treasury Services	98.75	98.06	99.00	●	✘	98.00	99.00	99.40		0.25
BV076d	No. of housing benefit prosecutions & sanctions, per yr, per 1000	Treasury Services	6.06	5.73	4.00	★	✘	6.00	6.00	6.00		20
BV 79bi.05	HB Recovered: Overpayment	Treasury Services	75.72	84.85	80.00	★	✓	83.50	85.00	85.00		5

Performance Indicators 2008/09

SO8: Promote and extremely positive image and reputation and ensure high levels of customer satisfaction												
Ref	Performance Indicator	Service	Year End 2007/08	Year End 2008/09	Target 2008/09	Performance 2008/09	Compared to 2007/08	Target 2009/10	Target 2010/11	Target 2011/12	Commentary on performance	Tolerance
NI 005	Overall/general satisfaction with the area	Comms	New indicator	83.60	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 021	Dealing with local concerns about ASB and crime	Comms	New indicator	26.50	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 027	Understanding of local concerns about ASB and crime by local council and police	Comms	New indicator	19.30	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 037	Awareness of civil protection arrangements in local area	Comms	New indicator	15.70	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
NI 140	Fair treatment by local services	Comms	New indicator	77.30	New indicator	n/a	n/a	New indicator	New indicator	New indicator		tbc
BV 3	The % of citizens satisfied with the overall services provided	Comms	Not reported in 07/08	55.10	Target not set	n/a	n/a	Target not set	Target not set	Target not set		10
LPI CC2	% of customers who were seen within 10 minutes	Corporate Customer Services	83.81	53.53	85	▲	✘	85.00	85.00	85.00	Performance has been affected by the transfer of housing benefits customer services to the Customer Service Centre and a significant increase in demand. As staff are trained in the full range of advice services, performance is improving	3
LPI CC3	% of external phone calls answered in 6 rings	Corporate Customer Services	87.40	79.10	90.00	▲	✘	90.00	90.00	90.00	Results have been affected by ongoing training issues	5
LPI IT3	Availability of ICT service	IT	100.00	99.92	100.00	▲	✘	100	100	100	There was a technical issue with a server which caused a minor service interruption.	0.05

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

CAPITAL MONITORING 2008-09 AND REVISED CAPITAL PROGRAMME FOR 2009-10 AND FUTURE YEARS

1. PURPOSE OF THE REPORT

- 1.1 To advise members of the overall financial performance of the Council for the 2008-09 financial year, in respect of the annual capital programme.
- 1.2 To seek approval of the 2009-10 revised capital programme, including commitments carried forward from 2008-09.

2. REVISIONS TO THE CAPITAL PROGRAMME

- 2.1 The progress of the annual capital programme was last reported to Scrutiny Committee – Resources on 25 March 2009. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/funding
Capital Programme, as at 25 March 2009	20,976,720	
Various schemes	43,330	Capitalised staff costs
National Cycle Network	65,270	Contribution from DCC
Walking Strategy	10,600	Contribution from DCC
Essential MRF Capital Works	55,660	DEFRA Waste Grant
Parks Improvements	3,920	S106 monies
Gravedigger	5,000	Revenue contribution to capital outlay
King William Street Car Park Changing Facilities	20,000	Contribution from DCC
Fast Track Extralet Grants	28,760	Grant clawback income
Heavitree Enhancements	(182,300)	Removal of DCC contribution from budgets; DCC have paid the contractor directly
Energy Conservation	15,510	External funding secured from utility companies
Various HRA schemes	44,180	Contributions from tenants
Revised Capital Programme	21,086,650	

3. MONITORING PERFORMANCE

- 3.1 In order to help improve overall delivery and monitoring of the capital programme schemes have been placed within two categories, C1 and C2. Category C1 is for those schemes that the Council is reasonably certain of being able to deliver within planned timescales. Conversely, Category C2 is for those schemes that the Council is less certain of being able to deliver primarily due to factors outside the control of the Council.
- 3.2 The categories do not extend to the HRA Capital Programme as it was hoped that the full programme would be deliverable within planned timescales due to the Council's commitment to achieving the Decent Homes Standard.

4. PERFORMANCE (Appendix 1)

- 4.1 Capital expenditure in the year amounted to £16,593,668, a reduction of £4,492,982 on the planned figure of £21,086,650. This planned figure takes into account an adjustment for the temporarily suspended capital schemes.
- 4.2 The actual expenditure during 2008-09 represents 78.7% of the total approved for the revised Capital Programme, which means £4.46 million will need to be carried forward to be spent in future years, as indicated in Appendix 1. Two capital projects where spend has been significantly less than anticipated are RAMM Redevelopment (£840,570) and Social Housing Grants (£1,249,920), and these alone account for almost 10% of the spending shortfall.
- 4.3 In comparison with the previous financial year, spending performance has decreased. During 2007/08 capital expenditure was £19,509,527, equivalent to 88.5% of the planned figure of £22,036,840.
- 4.4 The table below sets out how the Council has performed in terms of capital expenditure compared to the previous financial year, analysed by category:

Category	2008/09 Expenditure £	2007/08 Expenditure £	2008/09 Expenditure expressed as percentage of Capital Programme	2007/08 Expenditure expressed as percentage of Capital Programme
C1	7,569,227	7,819,568	83.90%	92.18%
C2	3,818,346	4,473,921	66.83%	73.00%
HRA	5,206,095	7,216,037	81.97%	97.18%
Total	16,593,668	19,509,526	78.69%	88.53%

Capitalisation of Staff Costs

- 4.5 In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice, 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.

4.6 During the financial year, the cost of the Council's IT developers, engineers, architects and surveyors have been treated as capital expenditure, based upon timesheet information.

4.7 Several large capital schemes have required a high commitment in staff time, including the:

- regeneration of the Canal Basin
- re-development of the Royal Albert Memorial Museum
- rebuild of the obsolete changing facilities at Hamlin Lane
- continuation of the electronic document management system implementation and development
- development of the corporate website and intranet
- delivery of the kitchen replacement, central heating and bathroom replacement programmes in council dwellings.

4.8 The total value of staff time charged to capital schemes for 2008-09 amounted to £1,120,076.

5.0 VARIANCES AND ACHIEVEMENTS

5.1 The main variances and achievements are as follows:

5.2.1 Community & Environment

Cultural City

- **Play Area Refurbishments & Skating Area Exhibition Fields**

Facilities in Pendragon Road Multi Use Games Area (MUGA), Summerway Park, King's Heath Park, Wyvern Park, Exhibition Fields Skate Park and Kinnerton Way MUGA all underwent improvements during this financial year.

The Pendragon play area is now open and in use and floodlights have been ordered for the site.

Work at Summerway Park has progressed well, with a series of boulders to mark the play area boundary and play equipment was installed in February 2009. The MUGA opened in early 2008 and now has floodlights.

At King's Heath a substantial new play area has been installed, with the final phase due for completion in May. The floodlit MUGA has been in use for several months.

Work at Exhibition Fields Skate Park is complete and the replacement ramps are proving very successful.

- **Hamlin Lane Changing Rooms**

Improvements made to the changing rooms include increased capacity, better access to wheelchair users and energy efficiency measures. The building now includes changing rooms for up to ten teams and a separate area for officials. Most significantly the refurbishment has resulted in an increase from three to 18 shower stations as well as the inclusion of a new disabled access toilet. New showers are heated by two energy efficient boilers and equipped with automatic water saving devices. Additional costs were incurred to improve

parking facilities at the site and provided spaces for an additional 50 cars.

- **RAMM Re-development**

The main contractor came to site slightly later than the original plan, and subsequent delays on site set the programme back further, so that invoices from the contractor have not amounted to those expected in the cost plan. Therefore it is proposed that £840,570 of the 08/09 budget be deferred to 09/10. Further details are provided in the separate report.

Cared for Environment

- **New Trade Waste Recycling Service Vehicles**

This budget was allocated for the purchase of two vehicles to be used on the new recycling rounds collecting cardboard and plastics. In 2008-09 one vehicle was purchased and it is proposed that the remainder of the budget be deferred to 2009-10 when the success of the current round can be determined and the decision whether to buy a second vehicle made.

Excellence in Public Services

- **Oakwood House**

We are awaiting defects work to be carried out by the contractor before the final payment can be issued; therefore it is proposed that the remainder of this budget be deferred to 09/10.

Everyone has a Home

- **Social Housing Grants**

The Social Housing Grants paid during 2008-09 helped to facilitate the provision of 28 affordable homes all for social rent, built in partnership with housing associations, the Housing Corporation and developers. Commuted sums facilitated a further 65 private sector tenancies all to decent homes standards: 38 homes through the Extralet scheme and 27 through the LetStart scheme. The Shakespeare Rd site was acquired from the Primary Care Trust and should facilitate the construction of at least 20 homes for social rent. Capital transfers enabled the extension/conversion of 6 Council homes to 4 bedrooms and extra accommodation for one homeless family was secured through the conversion of the Council's guesthouse.

5.2.2 **Economy & Development**

Accessible City

- **Signage/Pedestrian Interpretation**

The new finger posting system has been fully implemented across the city centre and provides a high quality, comprehensive signing system for tourists and visitors. A series of maps are to be erected in car parks in the near future and a map and a planned additional finger post is to be erected in the bus station to assist people arriving by bus in Exeter.

Cared for Environment

- **Heavitree Environmental Enhancement**

The Heavitree Fore Street scheme was completed in January 2009. A number of significant additional costs were incurred mainly as a result of the additional costs of paving stones from a second supplier following default of the original supplier, additional DCC engineers fees and relocating the Virgin utility boxes.

- **Custom House**

The project is substantially complete with minor defects and works to stair panelling to be completed in 09/10.

- **City Centre Enhancements**

As Members are aware, this is a rolling programme of enhancements where the core city centre streets have now been significantly improved with new paving, street furniture, tree planting and public art. The most recent expenditure on this programme has been with regard to the Paris Street/Sidwell Street improvement where the footway on the east side of Paris Street was doubled in width, a total of 10 trees planted and a series of seats installed. It was intended to significantly reduce the impact of traffic in the heart of the retail core of the city centre which is a major issue in terms of the long term re-development of the bus station site. A smaller scheme which was completed in April of this year is the re-paving of Martin's Lane and the bottom end of Catherine Street in York stone which was a scheme which was 50:50 funded with Devon County Council. The next phase of work will focus on the section of Gandy Street between High Street and Little Queen Street, followed by consideration of the Fore Street area at its junction with North Street/South Street. As plans for this area are closely linked to the development of the High Quality Public Transport route it will be some months before any detailed proposals emerge for consideration by Planning Member Working Group.

Prosperous City

- **Canal Basin and Quayside**

This has been reported to Executive twice since last Autumn, advising that conditions in the economy are such that progress with this scheme has slowed down significantly. Sutton Harbour Company have been given an extended period in which to prepare their proposals to secure tenants for the sites under their control. Similarly, Homebrick who have the interest in the Old Electricity Building, need to re-negotiate their development agreement since their original scheme is undeliverable in the current economic climate. They are in discussions with a potential tenant to create a children's play centre. Despite the slowing down of the market there is also good progress to report. Bridger Marine have completed work on their new chandlery at the Haven Road Car Park and are now in occupation. The existing chandlery is to be demolished and the area used for storage in the interim until a permanent scheme is progressed. Signposts work at 60 Haven Road is progressing very well and 14 affordable housing units and a retail/restaurant unit will be completed for occupation by October 2009. A range of environmental enhancements has been undertaken in the Canal Basin area, particularly at the entrance to the Valley Park, with the Old Maritime Buoy restored and positioned on the Kings Arms Isthmus. The next key element of the project is the construction of the

access road (Michael Browning Way) to the Haven Road Car Park and the creation of a winter boat laying up area. Planning permission is to be sought imminently for this scheme and this work is due to go out to tender shortly, with implementation starting from the Summer.

- **Science Park**

Spending on this has been moderate as the principal focus has been on the detailed design of the scheme and setting up the Science Park Company. Our major expenditure is not likely to take place until 2010/11. Progress is excellent with the Science Park Company now formed and a planning application expected in the next few weeks. The aim is for a start on site in early 2010 with the first building occupied by early 2011. The accompanying infrastructure, being delivered as part of the New Growth Point, is also progressing well to ensure that the necessary transport and utilities infrastructure is in place in time.

5.2.3 Corporate Services

Accessible City

- **Equal Opportunities Improvements**

Individual schemes progressed this year include the provision of disabled parking bays and automatic doors at the ISCA Bowls Centre, accessible allotments, Mincinglake Valley Park access improvements, Verney House staircase improvements and access improvements at Summerway Park. Orders have been placed on remaining projects to ensure all essential work is completed.

Electronic City

- **Information Technology/E Government**

New features on www.exeter.gov.uk include improved navigation, a complete A-Z of services, easy access to reporting and paying online, as well as clear options of how to contact the Council. On the homepage people can now get up-to-date travel information, and by using Living in Exeter, they can enter their postcode and find out when their household waste is due for collection, who their ward councillors are, nearby planning applications, subscribe to email alerts and much more.

Other achievements include:

- continued work on the corporate electronic document and records management system to improve the creation, storage, accessibility, control and disposal of their documents and records
- the continuation of the corporate server upgrade programme and improvements to the network infrastructure providing a high capacity storage system which will provide fast and reliable data recovery and to manage the increasing demand for high bandwidth applications
- the continuation of the FIMS Replacement project
- the implementation of additional data archiving and managed storage systems

- **Civic Centre Communal Area Refurbishment**

This budget forms part of a rolling programme to replace the fire doors, refurbish staff toilets, upgrade lift lobbies, refurbish kitchen areas and replace floor coverings in communal areas throughout the Civic Centre.

This financial year the refurbishment of the toilets and common areas in Phase 3 and on the ground floor and third floors of Phase I, including new laminate flooring has been completed.

5.2.4 **Housing Revenue Account**

Everyone Has a Home

- **Sheltered Accommodation**

This budget provides for the cost of upgrading sheltered accommodation to meet the standards of the Supporting People Programme.

The Supporting People Programme is committed to providing a better quality of life for vulnerable people to live more independently and to develop and sustain an individual's capacity to live within their accommodation. Programmed works include the installation of lifts, provision of wheelchair access, walk-in showers and level access.

The design and pre tender works took longer than anticipated and work is now intended to start on site in the Autumn of 2009.

- **Defective Properties – British Steel**

Works started in October last year on the remaining 17 properties. The works involve externally cladding the building and then rendering. Due to the weather the contract was delayed and we were unable to complete all the works programmed by the end of the year and will continue in 2009-10.

- **Rendering Works – Flats**

Works started in October to re-render the properties with dash rendering and carry out general repairs. Due to additional repairs such as the asphalt walkway at Galahad Close and the weather the contract was delayed; the programme of works will continue in 2009-10.

- **Programmed Re-Roofing**

The re-roofing of Briar Crescent and Laburnum Road was completed along with a further five properties with a history of leaks requested by housing.

- **Energy Conservation**

Measures to improve the energy efficiency of council-owned homes are progressing and are on target to be completed by 2011. In 2008-09 wall cavity insulation was completed in 25 homes leaving 77 to complete, 256 lofts were completed leaving 626 to complete. Surveys are ongoing to ensure information we hold regarding the energy efficiency of council-owned homes is accurate and up-to-date.

- **Kitchen Replacements**

The full programme of 183 kitchen replacements was achieved; these properties were generally spread across city with the exception of Grandisson Court and Abbeville Close.

- **Communal TV Aerials**

All the communal TV aerials have been upgraded to receive digital signal. Costs were less than anticipated as only the aerials were upgraded rather than satellite being installed.

- **Programmed Electrical Re-Wiring**

Out of the 195 programmed rewires 140 were completed, the programme has now been changed to a test and rewire/repair programme.

- **Central Heating Programme**

125 Gas central heating installations were completed. The properties were a mix of completely new installs and breakdowns to existing gas / electrical heating systems.

6.0 CAPITAL AND PROJECT PROGRAMME 2009-10 (Appendix 2)

6.1 The revised Capital Programme for 2009-10, after taking into account the carried forward requirements from 2008-09 and amounts deferred into future financial years, now totals £24,528,020.

7.0 RECOMMENDED

7.1 It is recommended that the overall financial position for the 2008-09 annual capital programme be noted.

7.2 That the amendments to the Council's annual capital programme for 2009-10 be approved by Executive.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended) Background papers used in compiling this report:

1. None

**2008/09
CAPITAL MONITORING TO 31 MARCH 2009**

Lead Officer	Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()
		£	£	£	£	£	£
COMMUNITY & ENVIRONMENT							
ACCESSIBLE CITY							
AC	C2	(13,240)	0	0			0
PM	C2	(30,000)	47,670	28,551	19,120		1
AC	C2	(2,000)	0	0			0
STRONG COMMUNITIES CITY							
PM	C2	(66,100)	0	0			0
CULTURAL CITY							
AC	C2		121,130	95,997	25,130		(3)
AC	C2	(130,000)	0	0			0
PM	C2		67,310	57,166	10,140		(4)
PM	C2	(20,000)	29,830	8,120	21,710		0
AC	C2		16,000	16,000			0
AC	C2	(115,800)	403,440	253,355	150,090		5
AC	C2	(5,190)	0	0			0
PM	C2		332,840	353,037			20,197
PM	C2		5,810	6,837			1,027
AC	C1		67,060	12,185	54,870		(5)
AC	C1		27,950	27,945			(5)
PM	C2		8,330	28,286	(19,950)		6
AC	C1		45,000	0	45,000		0
AC	C2		34,280	9,532	24,750		2
AC	C1		14,040	19,357			5,317
AC	C2		20,000	9,508	10,490		(2)
AC	C1		4,768,460	3,927,894	840,570		4
AC	C1		41,250	30,971	10,280		1
ELECTRONIC CITY							
PM	C2	(85,000)	0	0	0		0
CARED FOR ENVIRONMENT							
RN	C1		65,560	55,041	10,520		1
RN	C1		40,000	40,000			0
PM	C1		43,390	31,749	11,640		(1)
PM	C2	(32,000)	15,900	14,639	1,260		(1)
PM	C1		11,050	10,900	150		0

Lead Officer	Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()
		£	£	£	£	£	£
	Investigation & Remediation of Contaminated Land						
	New Trade Waste Recycling Service Vehicles	(1,910)	0	0			0
	Midi Recycling Banks		70,000	36,636	33,360		(4)
	St Nicholas Priory Upgrade		3,030	3,030			0
	General Open Space Improvements	(16,000)	14,550	16,621			2,071
	Additional Vehicle for Garden and Dog Waste		35,680	50,515			14,835
			29,860	30,523			663
	EXCELLENCE IN PUBLIC SERVICES						
	Vehicle Replacement Programme	(95,000)	799,350	842,201	(43,000)		(149)
	Provision of Garden of Remembrance		15,000	11,517	3,480		(3)
	Exwick Cemetery New Burial Area		13,590	6,592	7,000		2
	Higher Cemetery New Storage Yard & Buildings	(40,000)	9,270	6,882	2,390		2
	Oakwood House		66,100	4,568	61,530		(2)
	Belle Isle Nursery - Various Improvements	(23,000)	61,730	42,237	19,490		(3)
	External Professional Support		70,000	70,000			0
	Replacement of Tractor Sheds	(130,000)	42,220	27,546	14,670		(4)
	Grave Digger		5,000	19,995			14,995
	HEALTHY & ACTIVE PEOPLE						
	Disabled Facility Grants		528,750	504,828	23,920		(2)
	EVERYONE HAS A HOME						
	Warm Up Exeter		180,000	180,425	(420)		5
	PLEA Scheme		124,720	117,375	7,340		(5)
	Social Housing Grants		1,885,000	636,723	1,249,290		1,013
	Private Sector Renewal Scheme		120,360	120,360			0
	Development of General Fund Housing Land		1,850	0	1,850		0
	Refurbishment of Glencoe		77,140	76,124			(1,016)
	Shakespeare Road Site	(65,000)	185,000	181,953	3,050		3
	Fast Track Extralet Grants		55,070	55,071			1
	Renovation Grants		439,340	463,040	(23,700)		0
	SAFE CITY						
	Purchase of 2 Mairon Noise Monitoring Systems		13,970	13,970			0
	CCTV Consultancy in respect of Enhancements		15,250	12,000	3,250		0
	CCTV at Isca / New North Road		31,270	30,735			(535)
	CCTV System Enhancements	(35,310)	0	0			0
	COMMUNITY & ENVIRONMENT TOTAL	(905,550)	11,119,400	8,598,538	2,579,270	0	58,408

Lead Officer	Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()
		£	£	£	£	£	£
ECONOMY & DEVELOPMENT							
ACCESSIBLE CITY							
	DH		206,080	181,626	24,450		(4)
National Cycle Network	C1						
Signage / Pedestrian Interpretation	RS		260,900	254,193	6,710		3
Implementation of Council Walking Strategy	DH		77,200	76,603			(597)
King William Street Car Park Changing Facilities	RC		75,140	69,178			(5,962)
CULTURAL CITY							
18 North Street Panelling	RS		35,000	17,472	17,530		2
Corn Exchange Enhancements	DP	(28,000)	100,640	33,652	66,990		2
Floodlighting	RS	(14,000)	6,570	5,228	1,340		(2)
CARED FOR ENVIRONMENT							
Heavitree - Environmental Enhancement	RS		371,780	389,528	7,250		24,998
Environmental Improvements to Cowick Street	RS	(100,000)	0	0			0
Exeter Corn Exchange Install Wood Pellet Boiler	DP	(80,000)	0	0			0
City Centre Enhancements	JR		330,230	370,120	(39,890)		0
Custom House	DP		44,800	21,312	5,000		(18,488)
Repairs to Cricklepit Street Wall	DH		3,050	984			(2,066)
Unadopted Land at Exwick - Retaining Walls	DH	(33,070)	24,880	23,639			(1,241)
Conservation Area Enhancements	RS	(33,000)	8,460	0			0
Cathedral Yard Enhancement	JR	(6,990)	0	0			0
Ibstock Environmental Improvements	DP		4,450	0	4,450		0
Planting Improvements in Riverside Valley Park	RS		14,250	0	14,250		0
EXCELLENCE IN PUBLIC SERVICES							
Resurface Matthews Hall Car Park	RC		12,000	13,677			1,677
St Georges Retail Units Reconfiguration Works	DP		5,430	4,880			(550)
New Stalls for Farmers Market	DP	(4,000)	4,000	3,035			(965)
Planning Delivery Grant	RS	(90,720)	0	0			0
PROSPEROUS CITY							
Central Station Gateway Enhancement	RS	(123,160)	0	0			0
Basin / Quayside Redevelopment	DP		512,850	180,669	332,180		(1)
Science Park	RB		30,000	4,240	25,760		0
Met Office Relocation	JR		8,750	8,750			0
SAFE CITY							
CCTV at Haven Road Car Park & Boat Storage	RC		10,000	0	10,000		0
Safety Fencing at King William St Car Park	RC		0	(11,360)			(11,360)
CCTV Improvements in Car Parks	RC		3,900	0			(3,900)
Security Measures for Riverside Valley Park	DH	(15,000)	34,050	27,881			(6,169)
		(527,940)	2,184,410	1,675,308	484,480	0	(24,622)

Lead Officer	Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()		
		£	£	£	£	£	£		
CORPORATE SERVICES									
ACCESSIBLE CITY									
	Equal Opportunities Improvements	PM	C1	(30,000)	125,840	98,563	27,280	3	
ELECTRONIC CITY									
	IT Capital Programme	PE	C1	(169,800)	774,750	645,687	122,930	(6,133)	
	IT Capital Programme	PE	C2	(132,000)	83,000	51,887	31,000	(113)	
CARED FOR ENVIRONMENT									
	Civic Centre Conversion of Boiler to Dual Fuel	JS	C2	(25,400)	0	0	0	0	
EXCELLENCE IN PUBLIC SERVICES									
	Customer First Phase II	JS	C1		21,010	16,245		(4,765)	
	Replace Control Panels in Civic Centre Lifts	JS	C1		78,050	18,850	59,200	0	
	Civic Centre Electrical Distribution Boards	JS	C1		1,500	5,675		4,175	
	Installation of Building Management System	PM	C1		19,020	18,088		(932)	
	Civic Centre Communal Area Refurbishment	JS	C1	(175,000)	321,200	252,129	69,070	(1)	
SAFE CITY									
	Increased CCTV at the Civic Centre	JS	C1	(18,000)	7,000	6,605		(395)	
CORPORATE SERVICES TOTAL				(550,200)	1,431,370	1,113,728	309,480	0	(8,162)

Lead Officer	Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()
		£	£	£	£	£	£
HRA CAPITAL							
EVERYONE HAS A HOME							
	Sheltered Accommodation		553,460	201,500	300,000		(51,960)
	Adaptations		410,360	410,301			(59)
	Defective Properties - British Steel		176,000	15,875	160,120		(5)
	Defective Properties - Other Non Traditional		5,200	5,199			(1)
	Rendering Works - Flats		248,370	40,851	207,520		1
	UPVC Gutters, Downpipes and Fascia Boards		168,760	168,755			(5)
	MRA Fees		391,510	385,072			(6,438)
	Environmental Improvements - Fencing		59,000	47,308	11,370		(322)
	Communal Door Entry System		15,330	9,495	5,840		5
	Environmental Improvements - General		51,000	33,958	17,040		(2)
	Upgrading Council Roads / Footpaths		43,770	28,229	15,540		(1)
	Programmed Re-roofing		568,240	568,242			2
	Rennes / Faraday House Fire Alarm Upgrade		40,000	23,313	16,690		3
	Housing Condition Survey		5,240	5,240			0
	Energy Conservation		287,200	276,042	11,160		2
	Asbestos Survey		235,880	145,296		90,590	6
	Council House Extensions		183,000	124,969	58,030		(1)
	External Walls		57,460	57,464			4
	Leypark Road Structural Defects		44,940	44,946			6
	Kitchen Replacements		1,022,560	1,022,565			5
	Asbestos Removal Works		119,890	123,340			3,450
	Bathroom Replacements - Programmed		424,460	389,871	34,590		1
	Construct Hard Standings / Parking Spaces		20,000	0	20,000		0
	Communal TV Aerials		15,720	10,040			(5,680)
	Door Replacements		45,390	45,113			(277)
	Rifford Road Structural Repairs		73,740	73,744			4
	3 Bed Conversions to 4 Bed Dwellings		126,510	87,963	38,550		3
	Development of HRA Land		50,000	43,677	6,320		(3)
	Rennes / Faraday House Fire Doors		7,690	7,690			0
	Programmed Electrical Re-wiring		485,670	454,914	30,760		4
	Weirfield House Refurbishment		60,000		60,000		0
	Central Heating Programme		355,120	355,122			2
HOUSING REVENUE ACCOUNT TOTAL		0	6,351,470	5,206,095	993,530	90,590	(61,255)

Lead Officer	Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()
		£	£	£	£	£	£
CAPITAL AND PROJECT EXPENDITURE TOTAL							
		(1,983,690)	21,086,650	16,593,668	4,366,760	90,590	(35,632)

Category	2008/09 Temporarily Suspended	2008/09 Revised Capital Programme	2008/09 Spend	2008/09 Budget to be Carried Forward to 2009/10	2008/09 Budget to be Carried Forward to 2010/11	2008/09 Programme Variances Under ()
	£	£	£	£	£	£
HRA Capital Schemes						
Reasonably certain of being able to deliver within planned timescales	N/A	0	5,206,095	993,530	90,590	(61,255)
Less certain of being able to deliver primarily due to factors outside the control of the Council	C1	(830,180)	7,569,227	1,445,990	0	(6,802)
	C2	(1,153,510)	3,818,346	1,927,240	0	32,426
CAPITAL AND PROJECT EXPENDITURE TOTAL						
		(1,983,690)	16,593,668	4,366,760	90,590	(35,632)

Category 1

Is for those schemes that the Council is reasonably certain of being able to deliver within planned timescales

Category 2

Is for those schemes that the Council is less certain of being able to deliver, primarily due to factors outside the control of the Council

Lead Officer Key Table	
Head of Leisure and Museums	AC
Head of Treasury Services	AS
Engineering and Construction Manager	DH
Head of Estates Services	DP
Head of Environmental Health Services	RN
Director of Economy and Development	JR
Head of Corporate Customer Services	JS
Head of IT Services	PE
Head of Contracts and Direct Services	PM
Head of Economy and Tourism	RB
Head of Administration and Parking Services	RC
Head of Planning Services	RS
Head of Housing and Social Inclusion	SW

REVISED CAPITAL PROGRAMME

Lead Officer	Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 2009/10	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years
		£	£	£	£	£	£	£	£
COMMUNITY & ENVIRONMENT									
ACCESSIBLE CITY									
	PM	C2	19,120	10,000	29,120				
Riverside Valley Park Enhancement									
STRONG COMMUNITIES CITY									
	AC	C2		15,000	15,000				
Develop Matthews Hall Topsham									
CULTURAL CITY									
	AC	C2	25,130		25,130				
Old Paper Mill Countess Weir									
	PM	C2	10,140		10,140				
Playing Fields General Improvements									
	PM	C2	21,710	29,800	51,510				
Bromhams Farm Changing Rooms									
	AC	C2	150,090	137,040	287,130				
Play Area Refurbishments							80,000		
	AC	C1	54,870	50,000	104,870				
Sports Facilities Refurbishment									
	PM	C2	(19,950)	30,000	10,050				
Parks Improvements									
	AC	C1	45,000		45,000				
Roof Improvements to Topsham Museum									
	AC	C2	24,750	40,000	64,750				
Leisure Management Contract									
	AC	C2	109,830	109,830	109,830				
New Swimming Pool									
	AC	C2	10,490	19,360	29,850				
Exwick Community Centre									
	PM	C1	176,800	176,800	176,800				
Contribution to RAMM re HLF Parks Bid									
	AC	C1	840,570	7,777,290	8,617,860	2,731,250	2,731,250	100,000	100,000
RAMM Re-development									
	AC	C1	10,280		10,280	35,500	35,500	10,000	10,000
RAMM Off Site Store									
CARED FOR ENVIRONMENT									
	RN	C1	10,520		10,520				
Essential MRF Capacity Works									
	RN	C1		70,000	70,000				
Home Recycling Scheme									
	PM	C1	11,640		11,640				
Public Toilet Refurbishment									
	RN	C1		30,000	30,000				
Replace Wash Down at MRF and Drainage Alterations									
	PM	C2	1,260	100,000	101,260	100,000	100,000	100,000	100,000
Local Authority Carbon Management Programme									
	PM	C1	150	10,000	10,150	10,000	10,000	10,000	10,000
Improvements to Cemetery Roads & Pathways									
	RN	C1	33,360		33,360				
New Trade Waste Recycling Service Vehicle									
	PM	C2		50,000	50,000				
Cemeteries & Churches Storage Improvements									
	RN	C1		15,000	15,000				
Midi Recycling Banks									
	AC	C2		10,000	10,000				
Upgrade of Turf Sewage Treatment Plant									
EXCELLENCE IN PUBLIC SERVICES									
	PM	C1	(43,000)	617,000	574,000				
Vehicle Replacement Programme									
	PM	C1	3,480	15,000	18,480				
Provision of Garden of Remembrance									
	PM	C2	7,000		7,000				
Exwick Cemetery New Burial Area									
	PM	C2	2,390		2,390				
Higher Cemetery New Storage Yard & Buildings									
	PM	C1	61,530		61,530				
Oakwood House									
	PM	C2	19,490	27,740	47,230				
Belle Isle Nursery - Various Improvements									
	PM	C1	14,670		14,670				
Replacement of 'Tractor Sheds'									

Lead Officer	Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 20010/11	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years
		£	£	£	£	£	£	£	£
HEALTHY & ACTIVE PEOPLE									
	Disabled Facility Grants								
	Replace Athletics Track at Arena		450,000	473,920		650,000	650,000		
EVERYONE HAS A HOME									
	PLEA Scheme			6,920					
	Social Housing Grants		2,225,000	3,474,290		1,500,000	1,500,000	2,023,180	
	Private Sector Renewal Scheme		105,900	105,900					
	Development of General Fund Housing Land		1,850	1,850					
	Shakespeare Road Site		3,050	3,050					
	PSL Improvement Programme		200,000	200,000					
	Renovation Grants		500,000	476,300					
SAFE CITY									
	Replace Digital Recording Equipment at Control Centre		15,000	18,250		32,000	32,000	16,000	48,000
	CCTV Consultancy in Respect of Enhancements		3,250						
COMMUNITY & ENVIRONMENT TOTAL			12,835,760	15,415,030		5,138,750	5,138,750	2,149,180	158,000

Lead Officer	Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 2009/10	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years
		£	£	£	£	£	£	£	£
ECONOMY & DEVELOPMENT									
ACCESSIBLE CITY									
DH	C1	24,450		24,450					
RS	C2	6,710	47,000	53,710					
RC	C2		100,000	100,000					
CULTURAL CITY									
RS	C1	17,530		17,530					
DP	C1	66,990	76,500	143,490					
RS	C2	1,340		1,340					
CARED FOR ENVIRONMENT									
RS	C2	7,250		7,250					
JR	C2	(39,890)	200,000	160,110		200,000	200,000	200,000	400,000
DP	C1	5,000		5,000					
RS	C2	8,460	2,000	10,460					
DP	C2	4,450		4,450					
RS	C1					50,000	50,000	150,000	
RS	C2	14,250		14,250					
LEARNING CITY									
RB	C1		53,000	53,000					
PROSPEROUS CITY									
DP	C2	332,180	1,008,520	1,340,700		287,130	287,130	680,530	
RB	C2	25,760	70,000	95,760		749,910	749,910		
SAFE CITY									
RC	C2	10,000	50,000	60,000					
DH	C2		3,250	3,250					
ECONOMY & DEVELOPMENT		484,480	1,610,270	2,094,750		1,287,040	1,287,040	1,030,530	400,000

Lead Officer	Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 2009/10	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years
		£	£	£	£	£	£	£	£
CORPORATE SERVICES									
ACCESSIBLE CITY									
	Equal Opportunities Improvements	27,280		27,280					
		C1							
		PM							
ELECTRONIC CITY									
	IT Capital Programme	122,930	518,580	641,510		176,500	176,500	176,500	
	IT Capital Programme	31,000	70,520	101,520					
		C1							
		C2							
		PE							
EXCELLENCE IN PUBLIC SERVICES									
	Replace Control Panels in Civic Centre Lifts	59,200		59,200					
	Civic Centre Communal Area Refurbishment	69,070	90,000	159,070					
	Civic Centre Update Committee Room Audio Visual Equipment		50,000	50,000					
	Civic Centre Replace Committee Room Tables & Chairs					10,000	10,000		
	Capitalised Staff Costs		370,000	370,000		370,000	370,000	370,000	
		C1							
		AS							
CORPORATE SERVICES TOTAL		309,480	1,099,100	1,408,580		556,500	556,500	546,500	

Lead Officer	Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 2009/10	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years
		£	£	£	£	£	£	£	£
HRA CAPITAL									
EVERYONE HAS A HOME									
	Sheltered Accommodation								
	Adaptations	300,000	356,000	656,000		650,000	650,000	700,000	
	Defective Properties - British Steel	160,120	177,000	400,000		400,000	400,000	400,000	
	Rendering Works - Flats	207,520	200,000	337,120		200,000	200,000	200,000	
	UPVC Gutters, Downpipes and Fascia Boards		100,000	407,520		100,000	100,000	100,000	
	MRA Fees		362,200	100,000		362,200	362,200	362,200	
	Environmental Improvements - Fencing	11,370		11,370					
	Communal Door Entry System	5,840	10,000	15,840		10,000	10,000	10,000	
	Environmental Improvements - General	17,040	116,000	133,040		116,000	116,000	116,000	
	Upgrading Council Roads / Footpaths	15,540		15,540					
	Programmed Re-roofing		250,000	250,000		275,000	275,000	300,000	
	Rennes / Faraday House Fire Alarm Upgrade	16,690		16,690					
	Housing Condition Survey		35,000	35,000					
	Energy Conservation	11,160	50,000	61,160		50,000	50,000	50,000	
	Asbestos Survey		200,000	200,000	90,590	200,000	290,590	30,000	
	Council House Extensions	58,030	75,000	133,030					
	External Walls		12,000	12,000		30,000	30,000		
	Kitchen Replacements		900,000	900,000		1,201,000	1,201,000	1,250,000	
	Asbestos Removal Works		50,000	50,000		25,000	25,000	25,000	
	Bathroom Replacements - Programmed	34,590	366,750	401,340		423,000	423,000	436,000	
	Construct Hard Standings / Parking Spaces	20,000		20,000					
	Communal TV Aerials		5,000	5,000					
	3 Bed Conversions to 4 Bed Dwellings	38,550		38,550					
	Development of HRA Land	6,320		6,320					
	Programmed Electrical Re-wiring	30,760	573,500	604,260		573,500	573,500	573,500	
	Weirfield House Refurbishment	60,000		60,000					
	Central Heating Programme		377,680	377,680		377,680	377,680	377,680	
HOUSING REVENUE ACCOUNT TOTAL		993,530	4,616,130	5,609,660	90,590	4,993,380	5,083,970	4,930,380	

Lead Officer	Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 2009/10	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years
		£	£	£	£	£	£	£	£
CAPITAL AND PROJECT EXPENDITURE TOTAL									
		4,366,760	20,161,260	24,528,020	90,590	11,975,670	12,066,260	8,656,590	558,000

Category	2008/09 Budget to be Carried Forward to 2009/10	2009/10 Approved Capital Programme	2009/10 Revised Capital Programme	2008/09 Budget to be Carried Forward to 2009/10	2010/11 Approved Capital Programme	2010/11 Revised Capital Programme	2011/12 Approved Capital Programme	Future Years	
	£	£	£	£	£	£	£	£	
HRA Capital Schemes	993,530	4,616,130	5,609,660	90,590	4,993,380	5,083,970	4,930,380		
Reasonably certain of being able to deliver within planned timescales								58,000	
Less certain of being able to deliver primarily due to factors outside the control of the Council	1,445,990	10,884,170	12,330,160		3,415,250	3,415,250	722,500		
	1,927,240	4,660,960	6,588,200		3,567,040	3,567,040	3,003,710	500,000	
CAPITAL AND PROJECT EXPENDITURE TOTAL									
	4,366,760	20,161,260	24,528,020	90,590	11,975,670	12,066,260	8,656,590	558,000	

Category 1

Is for those schemes that the Council is reasonably certain of being able to deliver within planned timescales

Category 2

Is for those schemes that the Council is less certain of being able to deliver, primarily due to factors outside the control of the Council

Lead Officer Key Table	
Head of Leisure and Museums	AC
Head of Treasury Services	AS
Engineering and Construction Manager	DH
Head of Estates Services	DP
Head of Environmental Health Services	RN
Director of Economy and Development	JR
Head of Corporate Customer Services	JS
Head of IT Services	PE
Head of Contracts and Direct Services	PM
Head of Economy and Tourism	RB
Head of Administration and Parking Services	RC
Head of Planning Services	RS
Head of Housing and Social Inclusion	SW

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

OVERVIEW OF REVENUE BUDGET 2008-09

1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall final financial performance of the General Fund Revenue Budget for the 2008-09 financial year ended 31 March 2009.

2. HOUSING REVENUE ACCOUNT (Appendix A)

- 2.1 The final accounts show an overall increase in the HRA working balance from £2,848,591 to £2,858,265 an increase of £9,674 as compared with the break-even budget.

- 2.2 There is however a net overspend of £498,386 in operating expenditure which is primarily due to:

- An increase in expenditure on reactive repairs and repairs to void properties. This has been offset by an increase in income from rents due to a reduction in Right to Buy sales. The net overspend has resulted in a reduction in the Revenue Contributions to fund capital expenditure on the Exeter Standard and the government's Decent Homes Standard. The total Revenue Contribution to Capital in 2008-2009 is £510k.

- 2.3 The Major Repairs Allowance is 'ring fenced' for capital works and amounts to £3,122,044 and together with £510,000 as a Revenue Contribution to Capital, £243,135 from external funding and £1,330,916 of housing capital receipts a total of £5,206,095 was expended on central heating in 125 properties, bathroom replacements in 94 properties, re-roofing of 137 properties, programmed rewiring in 140 properties, kitchen replacements 183 and other works to meet the government's Decent Homes Standard.

3. GENERAL FUND (Appendix B)

- 3.1 During the financial year regular reports have been made on the estimated revenue outturn for each Scrutiny Committee. The final outturn has now been calculated and major differences from the approved annual budget are highlighted below.

- 3.2 As in 2007/08 a further technical adjustment has been made in respect of deferred charges and deferred contributions. In respect of deferred charges, the government allows councils to treat some revenue expenditure as capital expenditure e.g. grants to Housing Associations, or grants to improve or develop assets owned by others (science park contributions and enhancements to the city centre). This expenditure must be shown in the revenue accounts for the year but it is financed by the use of capital receipts or borrowing and therefore these charges are removed from the net cost of services to ensure that they do not impact on the Council Tax requirement

- 3.3 Deferred contributions are government grants and external contributions received in respect of fixed assets. In order that this adjustment does not impact on the level of Council Tax it is required that the value of deferred contributions released to revenue accounts are reversed out when accounting for total service cost.
- 3.4 In 2008/09 Impairment costs of £2,090,348 have been charged to the accounts. Each year our Estates Management team are required to assess whether our individual property values have fallen, either because of a particular problem with an asset (known as consumption of economic benefits) or because of a general fall in market values. This year, the global recession has had a significant impact on property values and Exeter has not been immune to this. Therefore some of our properties have dropped significantly in value. Accounting rules require this drop in value in many cases to be charged to the service responsible for the asset. However, the Council is allowed to reverse out the charge below the line to a capital reserve on the Balance Sheet so that there is no impact on the Council Tax.
- 3.5 An accounting requirement has been introduced, which means that the Council is required to make a charge in its accounts to reflect the loss of interest made when the Council makes loans (Soft Loans) to individuals or organisations at less than a market rate of interest (£12,777). The Council has made an interest free loan to the Northcott Theatre and also provides interest free loans to landlords to upgrade their homes to enable us to provide accommodation to people who would otherwise be classed as homeless. The charges made have been included in the relevant service accounts. The government has introduced a statutory override in England allowing the amendment to be reversed out to ensure that there is no impact on the Council Tax.
- 3.6 There has been an additional FRS17 adjustment of £341,335; this is an actuarial adjustment as a result of the introduction of the new pension scheme in April 2008. Excluding Capital Charges, FRS17 adjustment, reversal of Soft Loans, Deferred Charges and Deferred Contributions the Service Committees show an overspend of £588,332 against a revised budget of £19,633,140.
- 3.7 In addition to Service Committee net expenditure, investment interest is credited to the account 'below the line'. The interest receipts were £660,552 under budget and this is discussed in the Treasury Management report elsewhere on the agenda. The unprecedented financial crisis has resulted in significant interest rate cuts around the world. However, accounting rules that don't allow the Council to recognise some £268,000 of unrealised profit in its accounts, until the investments mature, means that investment portfolio performance has been below estimate. As the unrealised profit will be recognised in next year's accounts, there should be an improvement against next year's budget.
- 3.8 Additional income has been received in the form of a Local Business Growth Incentive Grant (LABGI) of £577,266 and an Area Based Grant of £48,500. The LABGI is a Government initiative, which rewards Local Authority's economic development for increases in the rateable value of commercial properties above a floor and up to a specified maximum. The Area Based Grant was for the Youth Opportunity Task Force and Climate Change strategy.
- 3.9 The main Service Committee variations for the financial year are:
- 3.9.1 The new nationwide scheme for concessionary travel has resulted in a significant increase in cost for Exeter City Council and in 2008/09 this was £1,034,819 over the revised budget. As a result of the economic downturn, there was also a reduction in car park income of £466k compared with the budget.

- 3.9.2 The overall income level for the Archaeological Field Unit (AFU) was down; this was mainly due to falling demand within the construction industry with an increase in non chargeable time. As a result, the AFU incurred a deficit of £390k.
- 3.9.3 Due to non completion of planned maintenance work, Asset Improvement and Maintenance underspent by £480k. Some of this work will be undertaken in 2009/10.
- 3.9.4 The cost of Cleansing Services has reduced; a Local Public Service Agreement in respect of Street Cleansing has resulted in a Performance Reward Grant including a revenue allocation of £122,781. There has been an increase in income from the Trade Recycling Collection Service and a reduction in labour costs as a result of efficiencies in the service.
- 3.9.5 Housing Advisory services incurred additional costs, mainly in respect of repairs to void properties, increased costs for bed and breakfast, serviced accommodation and a reduction in the amount of housing benefit received.
- 3.9.6 In addition there has been £115,000 in Revenue Contributions to Capital in respect of Car Parks signage and Customer Satisfaction Tool, Social Housing grants, software for telephony, Warm Up Exeter scheme, IT software, and a vehicle replacement at the cemeteries.
- 3.10 At 31 March 2008 the General Fund working balance was £7,451,546 and a deduction of £1,886,961 has been made at 31 March 2009 leaving the current balance at £5,564,585. The minimum requirement for the General Fund working balance was approved by the Executive in February 2009 at £2million.
- 3.10.1 There is a small requirement for supplementary budgets in 2009/10; these are identified in 3.11 below.
- 3.10.2 The council is also faced with considerable financial uncertainty in the medium term both in terms of a poor financial grant settlement and potential increasing budgetary pressures from, for example, the introduction of the national concessionary travel scheme. The current medium term financial plan has therefore already identified the need for significant ongoing revenue savings having to be identified and achieved.
- 3.10.3 Finally, the impact of the current review of local government within Devon may also have a significant budgetary impact for the City Council particularly with the financing of any potential transitional costs.
- 3.11 The Council has identified at the end of the year revenue budgets that have not been spent but where a commitment is required in the following 2009/10 financial year. It is therefore proposed supplementary budgets totalling £103,390 and identified in Appendix C are approved in 2009/10: -
- Scrutiny Committee – Resources; £71,090
 - Scrutiny Committee – Community; £32,300
- 3.12 If we take into account the proposed supplementary budgets above the uncommitted General Fund working balance at 31 March 2009 is therefore £5,461,195.
- 3.13 Earmarked Reserves totalling £251,141 have been created for specific schemes and purposes as summarised below: -
- Scrutiny Committee – Community: £44,631

- Scrutiny Committee – Resources: £206,510

There has also been £515,617 transferred from Earmarked Reserves as follows:-

- Scrutiny Committee – Community: £251,048
- Scrutiny Committee – Economy: £264,569
- Revenue Contributions to Capital: £115,000
- Transfer of an Earmarked Reserve to the Working Balance £103,918

During 2008/09 there has therefore been an overall net contribution from Earmarked Reserves of £368,394. (Appendix D)

3.14 The movement on Earmarked Reserves and the balance at 31 March 2009 are:

	Balance at 31March 2008 £'000	Balance at 31March 2009 £'000	Movement £'000
Earmarked Reserve			
Earmarked Reserves	2,659	1,690	(969)

4. COUNCIL TAX

4.1 As at 1 April 2008, arrears amounted to £2.346m, the movements during 2008/09 were as follows:

	£m	£m
Arrears at 1 April 2008		2.346
Add:		
2008/09 debits raised net of discounts, benefits and transitional relief	45.672	
Less:		
Payments received	(46.281)	
Refunds and increase in pre-payments	803	
Write-offs	<u>(159)</u>	
Arrears at 31 March 2009		<u>£2.381</u>

4.2 Against the arrears of £2.381m, a bad and doubtful debt provision of £885k has been provided, calculated in accordance with the appropriate accounting guidelines.

4.3 The 'In-Year' collection rate has increased slightly in comparison with the previous year. The collection rate for 2008/09 was 97.4% compared with 97.3% in 2007/08.

5 OUTSTANDING SUNDRY DEBT

5.1 The Council issues invoices for a range of sundry debts, including :-

- Commercial rent;
- Trade waste;
- Service charge and ground rent for leasehold flat owners;
- Home call alarms;
- Housing benefit overpayments;
- and a range of other services such as room rental.

In these quarterly reports, comparisons will be made to inform members of progress in recouping this debt. This does not include housing rent, council tax or business rate debt.

5.2 Outstanding debt at 31 March 2008 was £4.097m, at 30 June 2008 it stood at £3.468m, at 30 September it also stood at £3.468m, at 31 December 2008 it was £3.959m and at 31 March 2009 it was 4.061m. An aged debt analysis is shown below, which demonstrates that of the £4.061m debt, £1.724m is less than 30 days old. Debt over 30 days old has decreased over the quarter from £2.691m to £2.337m.

Age of Debt	March 2009	December 2008	September 2008
Up to 29 days (current)	1,724,055.29	£1,267,742.97	£1,534,787.70
30 days – 1 Year	1,309,734.57	£1,600,755.59	£904,573.71
1 – 2 years	304,503.57	£329,620.84	£288,038.97
2 – 3 years	158,054.92	£221,534.56	£237,895.81
3 – 4 years	220,089.89	£171,662.54	£141,105.87
4 – 5 years	117,505.40	£121,192.61	£119,137.52
5 + years	227,458.88	£246,581.41	£242,125.43
Total	£4,061,402.52	£3,959,090.52	£3,467,665.01

5.3 Some 40% (£0.928m) of the £2.337m outstanding, overdue debt relates to housing benefit overpayments, which are subject to statutory regulations in respect of recovery. The remaining £1.409m equates to 10.4% of the total debt raised in 2008-09 (excluding benefits debt). The Council will aim to reduce this to below 10% during the year.

6 CREDITOR PAYMENTS PERFORMANCE

6.1 The creditors' payments in respect of the Statutory Performance Indicator BVPI8 have worsened in 2008/09 following the introduction of the new financial information, management and payments system. The percentage paid within 30 days was 87.24% for 2008/09 compared with 95.6 % for 2007/08. Work with the software supplier, together with staff development on the new operating system has improved performance during the year. Work is continuing to increase performance further.

The percentage of invoices paid within 30days per quarter for 2008/09 was:

- Quarter 1 March to June – 83.9%
- Quarter 2 July to September – 79.91%
- Quarter 3 October to December – 91.32%
- Quarter 4 January to March – 92.59%

7 RECOMMENDATION

It is recommended that the report be noted and:

- 7.1 That the net transfer of £969,124 from Earmarked Reserves as detailed in paragraph 3.14 is approved.
- 7.2 That Supplementary budgets totalling £103,390 are approved as detailed in paragraph 3.11
- 7.3 That Earmarked Reserves at 31 March 2009 be noted;
- 7.4 That the Council Tax account and collection rate be noted;
- 7.5 That the outstanding sundry debt and aged debt analysis be noted;
- 7.6 That the Creditor Payments performance be noted;
- 7.7 By taking into account the overall financial position of the Council as set out in paragraph 3.10 above, the General Fund working balance at 31 March 2009, be approved at £5,564,585;
- 7.8 That the Housing Revenue Account working balance at 31 March 2009 is approved at £2,858,265.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling the report:

None

BS/GF Overview
26/05/09

HOUSING REVENUE ACCOUNT
FINAL ACCOUNTS 2008-09

Appendix A

APPROVED ANNUAL BUDGET		YEAR END OUTTURN	VARIANCE TO BUDGET
£		£	£
2,894,900	85A1 Management	2,912,154	17,254
279,160	85A3 Sundry Lands Maintenance	252,517	(26,643)
7,735,840	85A4 Repairs Fund Contribution	7,928,666	192,826
16,510	85A6 Capital Charges	23,621	7,111
(14,905,670)	85A8 Rents	(15,141,456)	(235,786)
4,425,560	85B1 Government Subsidy	4,414,726	(10,834)
(446,300)	85B2 Interest	(399,902)	46,398
0	85B4 Variance in Working Balance	9,674	9,674
0	NET EXPENDITURE	(0)	(0)

Working Balance as at 1 April 2008 2,848,591
 2008/09 Transfer to Working Balance 9,674
 Working Balance as at 31 March 2009 2,858,265

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EXETER CITY COUNCIL
2008-2009 REVENUE ESTIMATES - SUMMARY

REVISED ANNUAL BUDGET	YEAR END OUTTURN	VARIANCE TO BUDGET
£	£	£
16,957,340	16,115,196	(842,144)
2,002,270	3,528,531	1,526,261
6,227,300	5,907,827	(319,473)
0	26,656	26,656
(6,242,010)	(6,399,110)	(157,100)
0	12,777	12,777
688,240	1,029,595	341,355
19,633,140	20,221,472	588,332
(1,300,000)	(639,448)	660,552
0	(577,266)	(577,266)
0	(48,500)	(48,500)
18,333,140	18,956,258	623,118
(1,055,307)	(1,886,961)	(831,654)
(461,930)	(368,394)	93,536
0	115,000	115,000
(600,730)	(600,730)	0
16,215,173	16,215,173	(0)
(11,892,916)	(11,892,916)	0
4,322,257	4,322,257	0

Working Balance as at 1 April 2008 £7,451,546
2008/09 Transfers from Working Balance (1,886,961)
Working Balance as at 31 March 2009 £5,564,585

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Resources			
Revenues Recovery			5,000
Community Strategy		Bailiff Software Interface Publication	4,320
Community Technical		Pilot schemes	14,000
Grants and Contributions		Balance from 08/09	23,460
Guildhall		Conserve Cap & Sword	11,560
IT Services		Helpdesk	4,750
Community		Engagement Partnership	8,000
			71,090
Community and Environment			
Leisure		Leisure Facilities Review	27,300
Waterways and Countryside		Canal Development Plan	5,000
			32,300
		Overall Total	103,390

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2008/09 Reserves Movement

Budget Amount	Code Description	Expenditure/Income Description	Actual
-£5,000	TRANSPORT INITIATIVE RESERVE	Contribution to Travelsmart (1st of 3 annual payments)	-£5,000.00
-£135,000	LOCAL DEVELOPMENT FRAMEWORK	Local Development Framework Expenditure	-£35,855.29
-£176,840	PLANNING DEL GRANT-REVENUE	Planning Delivery Grant Expenditure	-£103,614.26
-£55,000	PRINCESSHAY	Princesshay/Other Projects	-£52,275.91
£0	Building Control	Balance transfer	-£67,823.58
-£371,840			-£264,569.04
-£82,090	TREE MANAGEMENT		-£107,620.30
-£8,000	VEHICLE LICENCING		£16,473.08
£0	Splash Scheme		-£11,361.36
£0	Empty Homes Initiatives		£2,455.79
£0	HMA Study		-£31,860.00
£0	Leisure Facilities		-£100,207.02
	Climate Change	New	£15,702.86
	Isca Bowls		£10,000.00
-£90,090			-£206,416.95
£0	Telephony		£6,510.00
£0	Insurance Reserve Transfer		-£103,918.00
£0	LABGI	New	£200,000.00
-£461,930			-£368,393.99

2008/09 Revenue Contributions to Capital Outlay

Resources	IT Software		£10,000.00
Community	Warm Up Exeter		£50,000.00
	Grave Digger		£5,000.00
Economy	Estates		£17,500.00
	Car Parks		£32,500.00
			£115,000.00

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

TREASURY MANAGEMENT – 2008-09

1. PURPOSE OF REPORT

- 1.1 To report the overall performance for the 2008-2009 financial year and the position regarding investments and borrowings at 31 March 2009.

2. FINAL NET INTEREST POSITION

- 2.1 The General Fund shows a net reduction in interest receivable compared to the estimate, the position is:

	Estimate	Actual	Variation
	£	£	£
Interest paid	(50,000)	(69,875)	(19,875)
Interest earned			
Interest from portfolio	1,380,000	1,189,224	(190,776)
Temporary investment interest	500,000	(42,295)	(542,295)
Other interest earned	5,000	3,668	(1,332)
Less			
Interest to HRA	(445,000)	(382,720)	62,280
Interest to s106 agreements	(75,000)	(39,346)	35,654
Interest to Trust Funds	(15,000)	(18,586)	(3,586)
Lord Mayors Charity	0	(623)	(623)
GF interest received	<u>1,350,000</u>	<u>709,323</u>	<u>(640,677)</u>
Net interest	<u>1,300,000</u>	<u>639,448</u>	<u>(660,552)</u>

- 2.2 The other interest earned relates principally to car loan repayments and various repayments of interest.
- 2.3 The reduction against budget has been caused by a number of factors. Please see section 3 for a detailed explanation.

3. INVESTMENT INTEREST

3.1 The managed cash funds have reduced during the year from £23.4 million to £20.1 million as at 31 March 2009. A withdrawal of £4.7m has been made during the year to manage cashflow.

3.2 The unprecedented financial crisis has resulted in significant interest rate cuts around the world. As our investment manager had invested for up to 1 year during the early to mid part of 2008-09, they had locked into some high interest rates and therefore have outperformed the benchmark by 3.41% during the past financial year. However the removal of £4.7 million during last summer and accounting rules that don't allow the Council to recognise some £268,000 of unrealised profit in its accounts, until the investments mature, means that performance has been below estimate. As the unrealised profit will be recognised in next year's accounts, there should be an improvement against next year's budget.

3.3 Interest of £1,189,224 was earned by the fund and in addition the fund has also generated £267,853 of unrealised profits, which will be recognised in the accounts in the current financial year. This equates to an overall rate of return of 7.15% (5.71% net of the unrealised profit) compared to a benchmark return of 3.74%.

3.4 Performance in the last five years has been generally solid, with the exception of 2006-07. However, the current economic downturn has provided Investec with the opportunity to make an exceptional return this year:

	Performance	Benchmark	Variation
2004-2005	4.72%	4.48%	+0.24%
2005-2006	4.57%	4.48%	+0.09%
2006-2007	4.21%	4.82%	-0.61%
2007-2008	5.80%	5.63%	+0.17%
2008-2009	7.15%	3.74%	+3.41%

3.5 Temporary investment interest has been weak this year as a result of a poor cashflow position, which has meant that the Council has spent most of the year undertaking temporary borrowing rather than investing surplus funds. Indeed only six short term investments have been made this year, although the Council also made use of its call account facility with the Bank of Scotland and the public sector reserve account held at the Co-operative Bank.

3.6 Additionally, the £5m invested in two Icelandic banks back in late 2007, remains frozen, after the Icelandic government stepped in to ensure that the Icelandic banking system did not collapse in October 2008. This has meant that the anticipated interest receipts have not been received and that we have had to remove the amount accrued in the accounts for 2007-08. This has ensured that the interest earned is significantly below budget.

- 3.7 Recent guidance has been published by CIPFA, recommending an appropriate level of write-down for the investments held in Icelandic banks.

Glitnir

In respect of Glitnir, CIPFA note that the LGA's current legal advice places local authority deposits as priority claims, and that the latest public presentation of Glitnir's affairs indicates that the bank's assets are significantly greater than their liabilities owed to depositors. They suggest that this indicates that a full repayment of the amount invested plus interest accrued up to 14 November 2008 is likely. If this is the case then the Council would lose 21 days interest only. The key issue is whether Council deposits are classed as priority claims. If they were not then the amount recoverable would be substantially lower. The current expectation is for repayment during 2009-10 financial year.

Landsbanki

In respect of Landsbanki, CIPFA again note that the LGA's current legal advice places local authority deposits as priority claims, and that the latest public presentation of Landsbanki's affairs indicates that the bank's assets are sufficient to repay approximately 90% of customers deposits plus interest up to 14 November 2008. As our deposit would have matured on 3 November 2008, this therefore includes our entire interest claim from Landsbanki. CIPFA believe that full repayment remains possible and therefore give a range of 90%-100% repayment. We have therefore written down the asset to 95% of its value in line with the recommended guidance. In cash terms the range of recovery at this level would be between £2.87m and £3.19m. Again the key issue is whether Council deposits are classed as priority claims. If they are not then the amount recoverable would be substantially lower. Repayment is expected to be more complex and likely to be over a number of years up to 2012.

In respect of both banks this is the latest available information and is subject to change, therefore the amount actually received could go up or down.

4. BORROWINGS

- 4.1 The Council has had to borrow temporarily for cashflow purposes throughout the year and incurred interest of £69,875 during the year. Interest rates have been very low towards the end of the year and have meant that interest payable in the year is actually lower than in 2007-08. At 31 March 2009 the Council had £18,000,000 of borrowing which is being repaid by June 2009. The Council continues to have no long term debt.

5. FUTURE POSITION

- 5.1 As interest rates remain very low the Council will continue to use short term borrowing to manage its cashflow. Current rates for borrowing are between 0.35 and 0.40% for 1-2 months. Borrowing over 25 years through the PWLB remains around 4.5%.
- 5.2 The internal investment strategy has been tightly restricted to UK only banking operations meaning that it is difficult to invest at the moment. There is very little desire from HSBC, Barclays and RBS to take money for a couple of weeks and we have been using our Public sector reserve with the Co-op and call account with the Bank of Scotland.
- 5.3 It remains imperative that the fund manager performs above the benchmark to maximise the return for the Council. However they are also limited by the very low interest rates and little value in the gilt market. Therefore investment interest returns for 2009-10 will be considerably lower.
- 5.4 During the year the Icelandic authorities should agree the final assets and liabilities of the banks and the position in respect of our investments should become clearer.

6. RECOMMENDATION

- 6.1 That the Treasury Management report for the 2008-2009 financial year be noted.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling the report:

None

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

ANNUAL GOVERNANCE STATEMENT

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the proposed Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2008/09.

2. BACKGROUND

- 2.1 CIPFA/SOLACE has previously issued a framework and guidance on delivering governance in local government. This framework illustrates best practice for developing and maintaining a local code of governance and it recommends that authorities must be able to demonstrate that they are complying with the principles of good governance.
- 2.2 The preparation and publication of an Annual Governance Statement in accordance with CIPFA/SOLACE guidance is required to comply with Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006. The Council is required to publish the Annual Governance Statement in the Annual Statement of Accounts for 2008/09.

3. ANNUAL GOVERNANCE STATEMENT

- 3.1 A draft Annual Governance Statement for inclusion in the Council's Annual Accounts for 2008/09 is attached to this report.
- 3.2 The Annual Governance Statement should include the following information:
- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control)
 - An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide
 - A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant
 - A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
 - the authority
 - the executive

- the audit committee/overview and scrutiny function/risk management committee/standards committee (as appropriate)
 - internal audit
 - other explicit review/assurance mechanisms
- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

4. RECOMMENDATIONS

It is recommended that:

- 4.1 Scrutiny Committee Resources supports the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2008/09.

HEAD OF TREASURY SERVICES

CHIEF EXECUTIVE

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

Delivering Good Governance in Local Government – Guidance Note for English Authorities;
CIPFA/SOLACE 2007

EXETER CITY COUNCIL
ANNUAL GOVERNANCE STATEMENT

1. SCOPE OF RESPONSIBILITY

- 1.1 Exeter City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 The City Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering good Governance in Local Government. A copy of the code is on the website or can be obtained from the Civic Centre, Paris Street, Exeter EX1 1JN. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control in accordance with proper practice. Proper practice has been defined as an Annual Governance Statement.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled together with activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. There is an ongoing process designed to identify and prioritise risks to the achievement of Council's policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Exeter City Council for the year ended 31 March 2009 and up to the date of approval of the Annual Statement of Accounts. The Council supports the six core principles set out in *The Good Governance Standard for Public Services (2004)* developed by the Independent Commission on Good Governance in Public Services. The following paragraphs describe the arrangements in place to meet the six core principles of effective governance.

3. **PRINCIPLE ONE - FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA**

3.1 The Council aims to use resources effectively and provide high performing, value for money services that focus on customer needs.

3.2 We have a comprehensive performance management framework that supports the effective monitoring and management of performance. The main elements of our performance management arrangements are summarised below:-

- **The Exeter Vision** is the city's community strategy for the next 20 years. It was written in consultation with key partners in the city. It sets out the priorities for the city. It is currently being reviewed and will be published in Autumn 2008.
- The Council's **Strategic Objectives** support the themes of the Exeter Vision. They set out the priorities for the Council. They are reviewed every five years.
- The Council's **Corporate Priorities** are set annually and support the strategic objectives. They set out the priorities for the Council in the forthcoming year.
- Each service maintains a **Service Improvement Portfolio**, which identifies its key partners, customers and priorities. They are designed to focus on outcomes and service priorities to ensure that work is targeted and meaningful. Service improvement portfolios identify key performance indicators, help challenge how services contribute to strategic objectives, and identify ways of increasing service contribution to corporate priorities such as sustainability, e-government, community safety and social inclusion. All actions within the service plans are linked to the Council's strategic objectives.
- Each member of staff has an **Annual Personal Appraisal** where they review performance against targets and set objectives for the forthcoming year. These objectives feed into their service plan and are also grouped under the Council's strategic objectives.
- The Council must also take account of the priorities set by the **Devon LAA**. The Local Strategic Partnership is responsible for monitoring achievement against the LAA targets that are specific to Exeter.
- The availability of quality, timely, accurate and comprehensive performance information is critical for the Council's decision-making process. Performance indicators are used to inform decisions on the allocation of resources and the setting of priorities and targets. They are also used to compare the Council's performance with other councils and to enable external bodies and the public to scrutinise the effectiveness of the various services that are provided. The Council uses a combination of statutory, local and management indicators to monitor performance. Following the introduction of a new National Indicator Set and the deletion of the previous Best Value Indicators, a review of all our performance indicators has been undertaken. As the Council is keen to ensure enough performance information is collected in order to manage services effectively, many Best Value indicators will be retained.
- Directors regularly review performance indicator results and progress against planned actions. These are also reviewed every six months by Scrutiny Committees. In 2006, we procured integrated performance management software to help focus on managing performance as well as reporting on it. Performance information is now available to all officers and Members on a quarterly basis.

- Finally, the website, Intranet and the Exeter Citizen are used to communicate performance to the public. A summary of our key achievements and overall performance is distributed to all households in Exeter.

3.3 A range of financial management measures are in place to ensure the effective use and management of resources including: -

- A medium-term financial plan covering both revenue and capital spend which provides a framework for the planning and monitoring of resource requirements.
- Operation of the Capital Strategy aims to ensure that investment is linked to Strategic Objectives. Bids for capital and other asset management funding require an effective 'business case' linked to Strategic Objectives, and progress in delivering projects is formally monitored by Councillors and Directorate Management Teams.
- Financial stewardship is reported to Councillors quarterly, and is considered regularly by Directorate Management Teams. This is supported by an established budget monitoring process by managers and Accountancy staff.
- Standing Orders and Financial Regulations contained within the Council's Constitution set out the overall framework that governs the management of the Council's finances.

3.4 The Council operates a complaints procedure and uses this to identify areas where service quality is not satisfactory, and to take action to improve.

4. PRINCIPLE TWO - MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

4.1 The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions taken are clear. This is contained in the Council's Constitution which sets out how the Council operates and how decisions are made. In particular it sets out a clear statement of the roles of committees, the full council, members and senior officers.

4.2 The Constitution also includes a Member/Officer protocol which describes and regulates the way in which Members and Officers should interact to work effectively together.

4.3 All Committees have clear terms of reference and work programmes to set out their roles and responsibilities. The Resources Scrutiny Committee provides assurance to the Council on the effectiveness of the governance arrangements, risk management and internal control arrangements.

4.4 The Council's Chief Executive (and Head of Paid Service) leads the Council's officers and chairs the Strategic Management Team.

4.5 The Head of Treasury Services, as the s151 Officer carries overall responsibility for the financial administration of the City Council.

4.6 The Monitoring Officer (the Head of Legal Services) carries overall responsibility for legal compliance.

- 4.7 When working in partnership the Council will ensure that:-
- Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council
 - Representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

5. PRINCIPLE THREE - PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

5.1 To ensure that members and officers exemplify good standards of behaviour the Council has in place appropriate codes of conduct. These clearly set out the standards of conduct and personal behaviour expected of members and officers. In particular the codes put in place arrangements to ensure that members and officers of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

5.2 The Council takes fraud, corruption and maladministration very seriously and has in place the following which aim to prevent or deal with such occurrences: -

- Anti-fraud and Anti-corruption Strategy
- Whistle Blowing Policy
- Human Resources Policies and Procedures regarding disciplinary of staff involved in such occurrences
- Fraud reporting facility on the website

5.3 The Council has a Standards Committee to advise the City Council on the adoption of Codes of Conduct with the aim of promoting and maintaining high standards of conduct by members and officers and the subsequent monitoring and updating of the codes.

5.4 The Council has a complaints procedure in place to receive and investigate any complaints that are made.

6. PRINCIPLE FOUR - TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK

6.1 The Council's Constitution sets out how the Council operates and the processes for policy and decision making.

6.2 The Full Council, comprising 40 Members, meets several times each year to decide the Council's overall policies and set the budget. In addition to recommending major strategies to the Council, the Executive is responsible for the most significant and day to day decisions which are not delegated to officers. There are three scrutiny committees which support the work of the Executive and the Council as a whole. They consider issues and review services within their remit and make recommendations to the Executive and the Council on its policies, budget and service delivery issues. Scrutiny Committees also monitor the decisions of the Executive and can in certain circumstances "call-in" a decision which has been made but not yet implemented.

6.3 The Forward Plan, which is published on a monthly basis, identifies key decisions which are likely to be made, either by the Executive or the Council, in the following four month period.

6.4 Other decisions are made by officers under delegated powers. The list of decisions made by officers in consultation with portfolio holders is maintained by Member Services, to whom

completed delegated powers forms are sent. The decisions are also recorded on the Council's intranet. A record of delegated decisions in relation to staffing matters is maintained by Human Resources.

6.5 Policies and procedures governing the Council's operations include:-

- Financial Regulations and Standing Orders
- Data Protection
- Corporate Procurement
- Risk Management
- Freedom of Information
- Business Continuity

6.6 Internal Audit is an independent appraisal function that reviews all of the Council's activities, both financial and non-financial. Internal Audit provides a service to the whole Council in order to provide assurance on the arrangements for risk management, internal control and corporate governance, and to provide advice to support achievement of best practice.

6.7 Exeter City Council is committed to the effective management of risk at every level within the Council. A Risk Management Policy has been established that states the Council's objectives, approach, procedures and responsibilities. To support the policy, Risk Management Procedures have been produced that explain how the Council's risk management process works. The procedures show the various documents used, and explain how the risk analysis form should be completed. The Council's risk management process is audited on a regular basis by its Internal Auditors using the enhanced systems based auditing approach they devised.

6.8 The Council maintains a corporate risk register but for reporting purposes it also maintains a summary risk register that does not include the 'Low' risk ratings. Its purpose is for reporting half-yearly to the Scrutiny Committee - Resources the 'High' and 'Medium' risks, mitigating actions agreed and taken, etc. so that risk management progress can be monitored. Reports are also made to the Executive and the other two Scrutiny Committees on a yearly basis.

6.9 Financial Management processes and procedures are set out in the City Council's Financial Regulations and include the following:-

- Financial Management Responsibilities
- Financial Planning
- Control of Expenditure and Income
- Banking Arrangements
- Disposal of Assets
- Insurance
- Orders and Payment for Goods, Work or Services

7. PRINCIPLE FIVE - DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS

7.1 The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent people in effective service delivery. All new members and officers undertake an induction to familiarise them with the policies, procedures, values and aims of the Council. The Council has also signed up to the South West Charter for elected Member Development.

- 7.2 There is a Councillor Development Framework which broadly outlines the skills and knowledge required by Councillors to perform their different roles and provides an indication of how they might carry them out effectively. It is not intended to be exhaustive or prescriptive but to provide a structure for officers to develop learning & development programmes and act as a prompt for new and existing Councillors to identify areas where they need support. This support could be in the form of information, training, facilitated workshops, coaching and mentoring, or opportunities to learn from observation. The framework is designed to be flexible, so that Councillors can work with officers to identify the most effective methods to meet learning development needs.
- 7.3 The Council has also developed its own Councillors' Information Portal. This gives members access via the intranet to a wide range of information on a range of key topics.
- 7.4 The Council knows that its employees are its most important resource. It recognises that the quality of the services provided by the Council depends on the quality of its employees. The Appraisal and Development Scheme is the way in which employees and their managers can identify their training and development needs and one way in which managers can talk to their staff about their work and the work of the Council.
- 7.5 The Council is an 'Investors in People' organisation and has been awarded IIP three times.
- 7.6 A full programme of training and development is available to all managers to provide them with the understanding, knowledge and skills to carry out their managerial responsibilities effectively.

8. PRINCIPLE SIX - ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

- 8.1 As a community leader the City Council works with numerous partners to contribute to the overall quality of life in the city, but it is also concerned with providing the highest quality public services and the widest access to those services. Individual services are continuously assessing service levels and making improvements in line with legislative requirements and customer feedback.
- 8.2 Last year the Council reviewed its priorities to set out what it wants to achieve over 2007-2010. It identified the priorities in light of the challenges facing Exeter including those issues important to local people and issues of local and national concern.
- 8.3 The Council has a continuous programme of consultation and engagement with its residents and communities which informs its activity. The Council employs a range of methods to ensure that it hears the views of all our residents. These include:
- Wavelength - a citizens' panel which is made up of 1000 people representing all sections of the community.
 - Community Forums – these give all citizens the chance to talk to the Council and partner agencies about issues that concern them.
 - Surveys – used to obtain detailed feedback about services.
 - Focus groups – used to obtain detailed feedback about services.
 - Exhibitions and roadshows – used to launch new ideas and initiatives.

9. REVIEW OF EFFECTIVENESS

- 9.1 The City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and also by comments made by the external auditors and other review agencies and inspectorates.
- 9.2 The processes for maintaining and reviewing the effectiveness of the governance framework are: -
- The Executive is responsible for considering overall financial and performance management and receives comprehensive reports throughout the year.
 - The Scrutiny Committee Resources monitors the overall financial performance of the Council and also discharges the functions of an audit committee including monitoring the effectiveness of risk management. Risk management reports and financial stewardship reports are also presented to both Scrutiny Committee Economy and Scrutiny Committee as appropriate.
 - Annual reviews of the Council's key financial and non financial systems by Internal Audit against known and evolving risks
 - Cyclical reviews by Internal Audit of internal controls in operation within each service area against known and evolving risks
 - Annual service planning to align service development against Strategic Objectives
 - The Monitoring Officer provides assurance that the Council has acted lawfully and that agreed standards have been met
 - Half-yearly reports to the Council's Scrutiny Committee - Resources on the work of and recommendations made by the Internal and the External Auditors
 - Annual reviews of the Council's financial accounts and records by the External Auditors leading to their opinion as published in the year end statements
 - Ongoing reviews of strategic and operational risks in each service area and the conduct of risk analysis and management in respect of major projects undertaken by the Council
 - Reviews and, where appropriate, update of the Council's Financial Regulations and Standing Orders

10. SIGNIFICANT GOVERNANCE ISSUES

- 10.1 The following steps have been undertaken during the year to further improve our Corporate Governance Arrangements: -
- A review of neighbourhood engagement has been undertaken including a review of the Council's My Neighbourhood Pilot project.

- The Council has approved a Councillors' Learning and Development Strategy which provides a broad framework within which the learning and development needs of Councillors can be identified and learning events delivered.
- Addressed recommendations made by the Audit Commission in their Annual Audit and Inspection Report and other reports as appropriate
- Reviewed the areas for improvement identified in the annual assurance statement by the Head of Internal Audit namely:-
 - Mitigating action has been taken to minimise health and safety risks at the Canal.
 - Work has commenced during the year to establish individual service risk registers for high risk service areas.
 - Business Continuity Planning has now been included in the standard systems' audit test papers used by the Council's internal auditors.

As a result of a review of our overall arrangements, the following have been identified as actions over the coming year: -

- Continue to review the support and development needs of Councillors within the framework of the Member Development Charter and IDeA Supporting Councillors Declaration.
- Develop an appropriate model for roll out of the Council's Neighbourhood Engagement work.
- Implement the action plan required for connection to the Government's Secure Network
- Address the recommendations made by the Audit Commission in their Annual Audit and Inspection Letter including:-
 - Addressing performance issues that have been highlighted for planning and housing benefits
 - Ensuring that the Council is well positioned to meet the challenge of the revised Use of Resources assessment.

11. CERTIFICATION

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Signed:

Date:

Date:

Chief Executive

Leader of the Council

EXETER CITY COUNCIL

SCRUTINY RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

DELIVERING VALUE FOR MONEY

1. PURPOSE OF THE REPORT

- 1.1 To report on the Council's performance in trying to achieve value for money cash efficiency savings for the previous (2008/09) financial year.

2. BACKGROUND

- 2.1 The Government previously set every local authority a target for efficiency gains of 2.5 per cent for each of the 3 years of the 2004 Spending Review (SR04) period covering 2005/06 to 2007/08. Local Government was set an overall target of achieving efficiency savings of £6.45 billion by 2007/08. A key point of this overall target was that at least one-half of efficiency gains should be "cashable" where these can be defined as those where there is a direct financial saving or benefit, with money released that can be spent elsewhere or recycled within a service to deliver better results. The remainder of the gains could be "non-cashable" where the gains do not necessarily lead to lower costs, but which lead to improved performance for the resources used. By the end of the 3 year period ending 2007/08, Local Government had comfortably exceeded the target that it had been set. Exeter City Council significantly exceeded its own target by identifying cumulative savings of £3,211,802 of which £2,136,504 were cashable. The target that it had been set to achieve was £1.476 million of which £738,000 would be 'cashable' efficiency gains.
- 2.2 In the 2007 Comprehensive Spending Review (CSR07), the Government set out even harder efficiency targets to be achieved. All public services were set a target of achieving at least 3% net cash-releasing value for money gains per annum over the period 2008/09 to 2010/11 with Councils expected to achieve £4.9 billion cash-releasing efficiencies by 2010/11. However In the Chancellor's most recent budget statement on 22 April 2009 he announced increased targets for efficiency savings in 2010/11 across the public sector. Councils in England will now be expected to deliver 4% savings in 2010/11 – an additional 1% on top of the 3% originally envisaged in CSR07. As a result, the efficiency target for the whole of the CSR07 period is now £5.5 billion.
- 2.3 Individual councils are no longer required to have an efficiency target unless agreed as one of the Local Area Agreement targets. This is a change from the previous regime for achieving and recording value for money. The approach now taken by the Government means that there will not be a mandatory efficiency target for each council. While there is a target for 3% per annum cash-releasing value for money gains for the sector overall it will not be cascaded down to every council.

3. MEASURING AND ASSESSING EFFICIENCY GAINS

3.1 National Indicator 179, one of the indicators in the new National Indicator Set, is the mechanism through which councils report their progress on achieving value for money gains in CSR07. It replaces the Annual Efficiency Statement (AES) in use for the SR04 period. The definition of NI179 is:

The total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 Financial Year

3.2 The key elements of the value for money indicator are its focus on:

- Net gains – efficiencies should be reported net of investment and ongoing costs required for their implementation;
- Ongoing gains – if an efficiency is not sustained in full or in part, then the value of the indicator must be reduced accordingly;
- Cash-releasing gains – only those efficiencies that reduce the level of resource required to achieve the same or better outputs, allowing resources to be redeployed, should be recorded; and
- Gains since the start of 2008/09 – valid gains may be the result of actions taken before April 2008, but only where they impact on a council's expenditure for the first time after 31 March 2008.

3.3 As in SR04, a value for money gain will be valued by comparing performance with that in the previous (or baseline) year, in particular how much resource has been freed up while maintaining the overall effectiveness of service delivery. This principle, and others determining what can be counted as an eligible gain and their evaluation, will continue to be set out in the measurement guidance issued by Government.

3.4 Councils will be required to submit a figure for the value for money indicator twice in each calendar year. On the first occasion, starting from October 2008, councils will report their *forecast* for the position at the end of the financial year. This is akin to the output of the Forward Look AES. On the second occasion, starting from July 2009, councils will report the actual position as at the end of the financial year that ended on the previous 31st March. This is akin to the output of the Backward Look AES.

3.5 To recognise the success of councils in making gains to date, the value of any cash-releasing efficiencies reported by councils in the SR04 period that are over and above 7.5% of their 2004/05 baseline expenditure will be counted towards the CSR07 target insofar as they remain ongoing. Councils should include the appropriate value as part of the reported level of their value for money indicator. For Exeter, the value of the cashable gains brought forward from CSR04 is £680,087.

4. NI179 DEADLINES

- 4.1 As with other national indicators, NI179 will be reported electronically to the Government through a mechanism known as the Data Interchange Hub. Data on NI179 must be submitted by the following dates:

Date	NI179 Coverage
24 October 2008	2008/09 Forecast cumulative gains
24 July 2009	2008/09 Actual cumulative gains
23 October 2009	2009/10 Forecast cumulative gains
23 July 2010	2009/10 Actual cumulative gains
22 October 2010	2010/11 Forecast cumulative gains
22 July 2011	2010/11 Actual cumulative gains

- 4.2 Work is continuing up to the submission date of 24th July to try to identify and maximise efficiencies achieved during 2008/09. A draft schedule showing the likely identified cash savings is attached in Appendix 1.

5. RECOMMENDATION

It is recommended that:

- 5.1 The contents of this report are noted and the identified savings in the draft 2008/09 schedule are included as part of the Council's overall submission for National indicator 179.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

None

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	£
Corporate Services	
Council Tax - Reduced Costs of Collection	48,200
Council Tax - Increase of in-year collection from 97.3% to 97.4%	3,300
Council Tax - Increased Provision for Bad Debts	(45,000)
Housing Benefits - Reduced Cost of Administering Housing Benefits	139,800
IT Services - Reduction in Cost of IT Provision	199,500
Telephones - Reduction in Cost	10,100
Community and Environment	
Administration - Reduced Cost of Administration Function	93,200
More Efficient Recycling	52,300
Economy and Development	
Administration - Reduced Cost of Administration Function	67,600
Estates Services - Reduced Cost	70,500
Other	
Value for Money Gains Brought Forward from Previous Years	680,100

TOTAL IDENTIFIED VALUE FOR MONEY GAINS 2008/09	£1,319,600
Baseline Expenditure 2007/08	£38,237,667
Value for Money Gains - % of 2007/08 baseline expenditure	3.5%
Value for Money Gains per Band D dwelling	£35

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

REVIEW OF EQUALITIES

1 PURPOSE OF REPORT

- 1.1 To update the committee on achievements made so far and advise of future action over the coming year.

2 BACKGROUND

- 2.1 In 2007 the Council published a three-year Comprehensive Equality Scheme in line with legislative requirements, setting out measurable outcomes for our service users, staff and councillors.
- 2.2 Since then although annual updates on key achievements have been published as an appendix to the Corporate Plan, there has been no formal update on progress against the five outcomes of the Scheme to this committee.
- 2.3 By April 2010 a revised Scheme will have to be published so now seems to be an appropriate time to reflect on outputs and outcomes achieved so far and highlight future work that may be undertaken.

3. ACHIEVEMENTS

- 3.1 The following is a list of our key achievements against each of the five outcomes of the Comprehensive Equality Scheme. This builds on the list which appeared as an Appendix to the Corporate Plan.

- (i) **Service users from traditionally hard to hear groups have access to information about, and are able to put forward their views on Council services, policies and procedures (consultation, communication, service development, access to councillors).**

Consultation was carried out on our behalf by Living Options Devon with disabled members of staff to share their experiences and make recommendations for improvements to the working environment. An action plan has been produced and while some items are best fed into the development of the overall Workforce Strategy, immediate tasks that have been undertaken include a refresh of the Human Resource User Groups and ensuring that equality and access issues are a standing agenda item. The Groups have representatives from all services and feed into the Employee Liaison Forum which is attended by Councillors, Senior Management, Head of HR and Unison/Staff representatives.

A community Engagement Database has been developed providing community contacts in place and making it easier for officers to contact the right organisation.

This also helps the Council to have an overview of the different groups that are working with or representing communities in the City.

- (ii) **All service users feel confident that the Council is committed to equality and diversity and is making real progress towards delivering actions (scrutiny, audit, committees, evaluation, reporting).**

Equality Impact Assessments were carried out on Bereavement Services, Parking Enforcement Services, the Homelessness strategy, the Positive Steps Fund and the Benefits NVQ Assessment Centre. Issues identified will feed into the development of these areas of work ensuring that, wherever possible, the needs of different groups of people are met and potential for discrimination removed. For example Bereavement Services are developing a way of maintain stock graves so that Muslim burials can be catered for at short notice.

Building Control has continued its programme of auditing the accessibility of Council buildings to ensure the needs of disabled people are being met. The target of 20 accessible buildings by March 2009 has been achieved. An Exeter Access Guide has been published which shows the facilities available at different venues throughout the City Centre. The guide will be published on the website but hard copies will also be distributed through Living Options Devon and Exeter Visitor Information.

Improvements have been made to the Isca Bowls Centre to make it more accessible for people with mobility problems including designated disabled parking bays and automatic external and internal doors.

The Markets & Halls Team in Estates Services has worked with staff to undertake an initial equalities review of facilities and services at the Matford Centre and Corn Exchange. This will ensure that they are responsive to the needs of all service users. Further actions which have been included in the work programme for 2009/10 include a survey of customers.

Diversity awareness training has been delivered to all 451 Exeter taxi drivers and is a pre-requisite for any applicant for a taxi licence. Retraining will be carried out every five years and the effectiveness of the training is monitored by mystery shoppers from Living Options Devon.

- (iii) **The Council knows who its customers are and is able to respond to their needs (monitoring, assessment, delivery).**

Work continues to embed equalities at each level of performance management. The Exeter Vision has been reviewed in consultation with the Vision Reference Groups and wider interest groups and equalities outcomes are now embedded in the Service Improvement Portfolios. The Vision will ensure a whole-city view of equalities so that the LSP can work more effectively with partner agencies to tackle the issues.

All new housing tenant details are collected at sign up so that now 65% of all tenant data has been collected and work can begin to ensure needs are met. For example a follow up survey is being undertaken of all those who indicated that they have a disability.

All the parks now have clearer signage and improvements have been made to paths to make them more accessible. In particular work has been carried out in Bury Meadow to reduce risks from anti-social behaviour that might deter young women, their children

and older people from enjoying the park. This work involved removal of shrubs, pruning of shrubs and redesigning of beds to provide clear lines of sight by opening up the vistas. All work was carried out following detailed consultation with local residents and the police. The residents have positively welcomed the changes.

- (iv) **Relations between different communities are good, tensions are challenged and the diversity of the City is promoted and celebrated (cohesion, leadership, challenge).**

The Chief Executive has been working closely with the Police and local communities following the Princesshay incident to ensure that any necessary support is provided. This is feeding into a wider review of how the Council engages with the community.

The Lord Mayor continues to attend and organise a diverse range of civic events including National Holocaust Memorial Day, a Violence Against Women Campaign in Bedford Square, opening of a Polish Saturday School at Montgomery Primary School and a thank you reception for carers held at the Guildhall. The Lord Mayor also supports and promotes a charity every year. In 2008/09 this was Southbrook College which specialises in education for young people with learning difficulties. For 2009/10 the charity chosen is Dream-A-Way which provides holidays and outings for disabled people.

RAMM's Small World display was shown at four schools and colleges in the City. The display of textiles and adornments from around the world was accompanied by talks and workshops encouraged to stimulate debate about issues of identity to encourage the celebration of diversity.

- (v) **All service users feel confident that the Council is committed to equality and diversity and is making real progress towards delivering actions (scrutiny, audit, committees, evaluation, reporting).**

In partnership with the Trade Unions, Human Resources commissioned an independent Equal Pay Audit. No significant issues were found but an action plan is being developed to pick up any minor points. This will be reviewed annually.

As indicated at 3.1 (i) Human Resources worked with Living Options Devon on a consultation with disabled staff to look at potential barriers to recruitment and retention. This also resulted in a review and update of relevant sections of the Employment Handbook.

4 FUTURE WORK

Equality Framework for Local Government

- 4.1 In 2005 following a self-assessment carried out by Internal Audit, the Council declared at Level 2 of the Equality Standard for Local Government. The intention was then to work towards another assessment at Level 3. However in the meantime the IDeA has replaced the Standard with a new Equality Framework. The equivalent of Level 3 status for the new framework is 'Achieving'¹.

¹ There are three levels for the Equality Framework for Local Government: Developing, Achieving and Excellent.

- 4.2 The Equality Framework and its predecessor is no longer measured by a performance indicator; however, it can be used to provide evidence for the Comprehensive Area Assessment and may be a useful tool in itself to help the Council analyse its work to meet equality outcomes.
- 4.3 A Regional Improvement and Efficiency Partnership consultant has been invited to attend the Corporate Equalities Officer Group in July to update on the procedure for moving forward for assessment against the new Equality Framework. RIEP has a key objective and associated funding to support all local authorities in the South West to meet the Achieving level of the Framework.

Comprehensive Area Assessment

- 4.4 Equality and diversity is an underpinning theme throughout the Comprehensive Area Assessment.
- 4.5 The initial draft report from the Use of Resources Assessment is due in the summer and feedback from the Area Assessment is due in the autumn. Both of these will provide indicators of where we need to improve.

Comprehensive Equality Scheme

- 4.6 The current scheme only runs until April 2010 so planning for the development of the new scheme has started.
- 4.7 The Scheme will need to take into account developments in legislation and the inspection regime and as with any major strategy it will need to be developed with the involvement of a diverse range of communities to ensure that it reflects their needs.
- 4.8 During the development of the current scheme a partnership was set up with the County Council, other District Councils and the Police to consult disabled services users. It is unlikely that any such partnership will be convened this time however the Council will try to link into any other consultation and engagement work being carried out wherever possible to ensure good value for money and the widest possible spectrum of views.

5 LEGISLATION

- 5.1 The Equality Bill was published in April 2009 and if successful the majority of clauses are expected to come into force autumn 2010. Some of the key proposals from the Equality Bill are noted below:
- Introduction of new generic equality duty on public bodies bringing together existing public duties on race, disability and gender and extended to age, sexual orientation and religion or belief.
 - Introduction of a new public sector duty to consider reducing socio-economic inequalities.
 - Powers to outlaw unjustifiable age discrimination in the provision of goods, facilities and services.
 - Protection from discrimination for people associated with someone who is protected themselves, for example as the carer of a disabled person.
 - Public bodies to increase transparency by reporting on aspects of employment policy such as gender pay gaps, ethnic minority employment and disability employment.

- Banning secrecy clauses which prevent people discussing their pay
- Requiring public bodies to tackle discrimination and promote equality through their purchasing functions.
- Extending positive action so that employers can take into account, when selecting between two equally qualified candidates, under-representation of disadvantaged groups.
- Encourage more women into public life by extending use of women-only short list to 2030.
- Allow tribunals to make wider recommendations in discrimination cases going beyond benefiting the individual so that there are benefits for the rest of the workforce.
- Explore further how to allow discrimination claims on multiple grounds.

6. RESOURCE IMPLICATIONS

- 6.1 Costs related to the consultation on new Comprehensive Equality Scheme will be met within existing budgets.

7 RECOMMENDED

- (1) That Scrutiny Committee – Resources supports the future actions put forward in this report and recommends its approval to the Executive.

DIRECTOR CORPORATE SERVICES

CORPORATE SERVICES DIRECTORATE

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

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

EXECUTIVE
29 JUNE 2009

LEISURE FACILITIES MANAGEMENT – A NEW CONTRACT

1. PURPOSE OF REPORT

- 1.1 To inform Members of the key elements of the new contract due to be let in 2010 for the management of the Council's contracted sports and leisure facilities.

2. BACKGROUND

- 2.1 On 28 September 2010 the current contract let by the Council to DC Leisure Management Ltd (DCL) expires. On the same day, management of the Riverside Leisure Centre will revert to the Council. Officers have therefore been working on the contents of a new single contract incorporating all of the facilities currently managed by commercial leisure management contractors.
- 2.2 The nature of the contract has been the subject of reports to Community Scrutiny and Executive to approve the general policy, but as the letting of this contract involves committing large sums of money over a number of years. The current contract with DCL for example costs the Council over £ 600,000. It is also appropriate to bring the issue before this committee to look at economic factors, such as length of contract, obligations on both parties to repair and maintain, utilities agreements and so on.

3. OPTIONS FOR LEISURE FACILITIES' OPERATION

- 3.1 There are 3 main types of operation for leisure facilities:

In-house

- 3.2 For many years the Council's facilities were managed by its own directly employed workforce. However, there has been no recent support for bringing the service back in-house, which would involve transferring approximately 300 staff to the Council under TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006). The Council's current expertise in leisure facilities operation is limited; there is a developed market for this type of contract and we feel that suitable quality can be obtained from a private contractor or trust.

Leisure management contractor

- 3.3 After many years of in-house management, a compulsory competitive tendering process resulted in a contract for 6 facilities being awarded to DCL from 1997. The Council pays DCL a substantial management fee for operating the facilities. However, the Council did make savings, and it is generally considered by leisure officers since that time that the service improved under the external contracting arrangements. There have been no major problems, and overall DCL has been flexible and accommodating. The risks have been shared between the Council and

DCL, and the cost of the service has become better known and so it has been easier to budget for the service effectively.

- 3.4 Riverside Leisure Centre is leased by the Council to Sainsbury's who employ Parkwood Leisure under a contract to manage the premises. Riverside accounts for approaching half of all visits to all of the Council's contracted facilities, and it is understood that Parkwood pays a significant sum to Sainsbury's for managing the site.

Trust

- 3.5 An option would be to have Exeter's facilities managed by a trust. This has advantages in that a trust can exploit a loophole in the law that enables 80% relief on the National Non-Domestic Rates (NNDR) and trusts also can benefit from VAT reductions. If the trust is a registered charity, further savings can be made.
- 3.6 However, a disadvantage with most trusts is that they tend to have few if any assets, and if they get into financial difficulty the only place to turn to is to the client, who then has to pick up the pieces. A trust would also be independent of the Council and so the Council would lose some control. This could be mitigated by having an exhaustive agreement with the trust, but the trust would have its own board of trustees and it may not be as straightforward to enforce compliance as with a commercial contractor.
- 3.7 The Council could establish its own trust to manage the leisure facilities, but the establishment and running of such a trust can be a very expensive process and it is not considered appropriate to establish a new trust to manage the facilities. An alternative could be for the Council to employ an existing private leisure trust – a trust established by a local authority specifically to manage its own leisure facilities, and which then extends its activities to manage others' facilities. A third option is a 'commercial' leisure trust, where a leisure management contractor is able to call upon its own hybrid trust model that can enjoy many of the financial benefits of trust status (such as the 80% NNDR relief).
- 3.8 Bearing in mind the information above, we do not recommend mounting an in-house bid for this contract. We also recommend discounting the formation of a new trust for the reasons set out. At this stage we do not feel that we should prohibit an existing trust from tendering alongside traditional contractors or that we should rule out a hybrid trust.
- 3.9 It is therefore proposed that the Council will, in accordance with European legislation, invite expressions of interest from organisations capable of providing this service, and will then evaluate which companies or trusts are most suitable to undertake the work. It is expected that about 4-5 organisations will then be invited to tender for the contract.

4. CURRENT TRENDS IN LEISURE CONTRACTING

- 4.1 Two forums have been held with prospective leisure facility management operators following the issue of a Prior Information Notice (PIN) in the Official Journal of the European Union (the 'European Journal'). This enabled the Council to discuss options for the contract and obtain feedback from leisure specialists on current trends in the industry.

- 4.2 The Council has engaged consultants Torkildsen Barclay to advise on the production of leisure contract documentation and procurement that reflects current practice in the sector. Although most of the overall contract arrangements have not changed significantly, document wording has been refined over the years to make it clearer and fairer to both parties. The more significant changes are dealt with later in this report.
- 4.3 As in the current contract, the contractor will keep all income received from users of the facilities, so encouraging the contractor to provide a good service to get people through the doors to maximise income. Tenders will be evaluated on both the quality of service that will be provided along with a contract sum – a figure, payable either to or by the Council, that is the difference between the cost to the contractor of managing the service less the income that the contractor expects to receive.

Major contractors

- 4.4 It is thought that there are relatively few contractors capable of delivering the services that the Council will require. Five potential operators attended the last PIN Forum, held in July 2008. Four of these were leisure management contractors and one was a private trust with charitable status.

5. THE SCOPE OF THE EXETER CONTRACT

Sites

- 5.1 It would be possible to include the Isca Centre (indoor bowls and bridge), but the current arrangement of a separate lease to Isca Centre Ltd (which comprises club members) is working well and the premises retain a good club atmosphere. The Council receives income from Isca Centre Ltd.
- 5.2 A new lease has recently been agreed for the management of Clifton Hill Golf Driving Range, including the provision of a number of improvements to be funded and implemented by the lessee.
- 5.3 It has not been possible to engage effectively with Carillion, the company operating Exeter's schools' leisure facilities, so these cannot be included in the contract at this stage. It is possible that they might be added sometime during the contract period.
- 5.4 Although it would be possible to split the remaining facilities into two or more contracts, it is considered that a single contract will provide the greatest benefits. The facilities included in the contract are therefore as follows:

Clifton Hill Sports Centre
Exeter Arena
Northbrook Approach Golf Course
Northbrook Swimming Pool
Pyramids Swimming & Leisure Centre
Riverside Leisure Centre
Wonford Sports Centre

- 5.5 It is now too late to factor into the contract the procurement of a new swimming pool. This in fact greatly simplifies the contract procurement process, and the contract will include effective change management clauses that will allow major facilities to be removed from and/or introduced to the contract.

Key risk factors

- 5.6 **Energy** – the cost of energy has soared since DCL started under the 1997 contract, and previously all of the risk was on the contractor. This is unsustainable, and in order that future possible energy price increases are not built into the tender price the new contract will make the contractor responsible for energy consumption and the Council responsible for energy price changes.
- 5.7 **Maintenance** – many of the Council's facilities are now becoming rather old and they are in need of substantial maintenance, both day to day and in terms of refurbishments and replacements. It is important to get the balance of responsibility right, and the Council has recently invested in an extensive condition survey. This will allow both the Council and tenderers to be better aware of the condition of the premises' structural elements and key items of plant, and it will assist in identifying who is responsible for each item. The survey will also help identify any shortcomings to be remedied by the outgoing contractors before the end of their contracts. The Council also has maintenance responsibilities and capital bids have been submitted for funding for essential works needed in preparation for the new contract.
- 5.8 **Closure due to plant etc failure** – with aging facilities there is a risk that a major item of plant could fail, leading to closure of a facility. It should be noted that the Council will also be committed to replacing items for which it is responsible as and when necessary. As far as possible this will of course happen before a failure occurs.
- 5.9 **Closure due to changes at the facilities** – if a new pool were to be built at an existing site, or there were to be a major refurbishment of a site during the term of the contract, the facility/ies involved may need to close. The contract will allow for quite major changes to occur without frustrating the contract, but the contractor will be entitled to appropriate compensation for loss of income and any increased costs.
- 5.10 **Limited funding to improve the facilities** – the contractors will be aware of the condition of the facilities, and will factor in that the premises will be older towards the end of the contract. At present it seems unlikely that there will be major funding made available by the Council for refurbishment of facilities in the foreseeable future.
- 5.11 **Staff** – over recent years new employment legislation, especially relating to the use of casual staff, has created substantial costs for leisure management operators. However, the new contract will continue to place the risk on the contractor.
- 5.12 **NNDR** – if the successful tenderer is a trust receiving NNDR relief, it is possible that the government may decide to close the loophole in the NNDR legislation and remove the relief. This could be worth in the region of £200,000pa and this will be the Council's risk.
- 5.13 **Customers leaving** – should the use of leisure facilities decline significantly (for example due to a change in society's culture, dissatisfaction with the facilities, or people not having expendable cash etc), and this leads to a shortfall of income, the risk would remain with the contractor. The contractor would need to work to retain and bring back customers, and it would be in the Council's interest to work with the contractor to improve the situation.
- 5.14 **Staff transfer issues** - Staff transfers in the public sector are governed not only by the rules of TUPE, but also by the guidance from central government, notably the following:

- The Cabinet Office's 'Statement of Practice on Staff Transfers in the Public Sector' with its annex, the 'Treasury statement A Fair Deal for Pensions'. This states that TUPE will apply, and sets out the framework to be followed. The annex describes the pension protection for public sector employees in the event of a TUPE transfer.
- The 'Code Of Practice On Workforce Matters In Public Sector Service Contracts (February 2003)'. Both this Code and the 2005 Code (below) protect "new joiners" to the contract, ensuring that a "two-tier" workforce does not exist and the provision of a "reasonable" pension.
- The 'Local Government Act 2003' ss. 101 and 102, which effectively enshrine the Code into law and ensure that there are suitable pension arrangements for staff transferred from a local authority to a contractor.
- The 'Code Of Practice On Workforce Matters In Public Sector Service Contracts (March 2005)'. This guidance runs alongside TUPE. A tender from a contractor will not normally be acceptable unless it is clear that the contractor will comply with the relevant codes of practice

5.16 There is a risk that some contractors will be deterred from tendering by the need to comply with this.

5.17 **Lack of tenders** – There are relatively few established operators in the industry, and it is possible that some of those from whom we anticipate interest may not wish to bid. Following evaluation of the pre-tender submissions, other operators may not be deemed by the Council to be suitable to be invited to tender, so there is a risk that there may be only three or fewer tenders and therefore less chance of achieving the best overall value.

Contract terms – unchanged

5.18 Most of the fundamental principles remain unchanged between the old and the new best possible balance between service provision for Exeter's residents and visitors, and keeping costs as low as possible.

5.19 Although the contractor will organise the programme of use of the facilities, there will be protection for existing clubs using the facilities.

5.20 Under the current arrangements the maintenance costs are shared and this will continue. The energy costs have been shared since 2007 when the DCL contract was extended to 2010, and this will continue in the new contract.

Contract terms – changed

5.21 Particular changes worth mentioning include the following:

- All 7 sites will be under a single contract, so improving harmonisation of activities through a single operator who will be able to offer a more complementary programme. There will also be a single membership scheme to all of the Council's facilities.
- 10 year contract with an extension (by mutual agreement) of up to 5 years.

- The Council will continue to exercise control over the price to be charged by the contractor for fewer, core activities such as swimming and relinquish control over some for which it currently sets charges, for example, trampolining.
- The Council will assume responsibility for grounds maintenance at all sites except Exeter Arena. This is a relatively minor change, but there will be a need for an increase of £600 in the Parks & Open Spaces maintenance budget.
- The current LeisureCard will cease and tenderers will be asked to provide proposals for a new scheme.
- The (concessionary) XCard will continue and will be improved through extended weekend opportunities.
- There will be a requirement for better management reporting information to be provided by the contractor to the Council.
- Tenderers will be invited to submit proposals for capital improvements to develop the facilities during the term of the contract.
- The current limit on maintenance expenditure (agreed with DCL as part of the contract extension arrangements) will be removed.
- The contractual minimum opening times will be increased slightly to mirror the current actual opening times.
- The contractor will be required to achieve at least the minimum level of the Council's Green Accord environmental policy.

6. PROCESS FOR APPOINTING THE CONTRACTOR

Prior Information Notice Forum

- 6.1 Two PIN Forums have been held. The second had to be arranged due to a significant change in the Council's position, as in the first forum it had been intended to include the procurement of a new or refurbished swimming pool within the leisure management contract.
- 6.2 These discussions enabled the Council to develop the contract documentation in a way that will be acceptable to the leisure operators whilst protecting the Council's interests.
- 6.3 Operators are therefore already aware that a new contract is in the pipeline, and it will be perfectly acceptable for the Council to invite individual companies to apply to be included on the list of tenderers.

Formal invitation for expression of interest

- 6.4 An advertisement is scheduled to be published in June 2009 in the European Journal. Organisations contacting the Council will be sent a pre-qualification questionnaire and sufficient information on the nature and type of contract to enable them to establish whether they wish to express formal interest in the contract.
- 6.5 Applicants will need to provide information to the Council on a range of financial, organisational and technical issues, along with references etc. The responses will be assessed in order to identify those most suitable to be invited to tender.
- 6.6 Evaluation of tenders will be on a points system, the criteria for which must be published within the tender documentation. The most important factor is the split between the points awarded for the financial aspects of the bid, against those awarded for quality issues.

6.7 It is anticipated that tenders will be invited in October, to be returned to the Council by February 2010. A preferred bidder will be appointed in May, and following any clarifications the contract and leases are due to be finalised in June. This will provide 3-4 months' lead in period.

7. RECOMMENDED that

- 1) Members support the key contract features identified in this report and
- 2) Delegate approval of the detail of the contract documentation to the Director, Community and Environment in consultation with the Leader of the Council and the Portfolio holder for Environment and Leisure and appropriate Council officers.

HEAD OF LEISURE & MUSEUMS

S:PA/LP/ Committee/609SCR2 v2
15.5.09

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:**

Should Members want more background information, work was done in 2004 to identify the issues and evaluate the various options available to the Council, and a number of briefing papers were made available on the Members' site on the Intranet. They are still available for Members' information, and much of the material is still valid, although the financial figures have not been updated. Go to <http://intranet/index.aspx?articleid=527>.

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EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
17 JUNE 2009

REVENUE FINAL ACCOUNTS 2008-09

1. PURPOSE OF REPORT

- 1.1 To advise members of the overall financial performance of Resources Committee revenue accounts for the financial year ended 31 March 2009.

2. REVENUE ACCOUNTS (Appendix A)

- 2.1 During the course of the financial year ending 31 March 2009, regular reports were made to this committee on the estimated revenue outturn.
- 2.2 Following changes in the revenue accounting requirements for fixed assets, the Chartered Institute of Public Finance and Accountancy (CIPFA) have specified that 'deferred contributions' must be released to service revenue accounts. Deferred contributions are government grants and external contributions received in respect of fixed assets. In order that this adjustment does not impact on the level of Council Tax, it is required that the value of deferred contributions released to revenue accounts are reversed out when accounting for total service cost.
- 2.3 A technical adjustment to the accounts for pension contributions (FRS17) has been made in line with required accounting practice. Actual pension contributions made by the Council are taken out of the accounts and replaced with a figure that reflects the costs to the Pension fund of employing our staff over the year. The figure is provided by Devon County Council's Pension Fund Actuary. This amendment is reversed out to show the actual cost to the Council and therefore has no impact on the Council Tax and therefore similar to the way we account for capital charges.
- 2.4 The total variances of £319,473 have reduced the overall net expenditure for this committee to £5,907,827, which represents a decrease of 5.13% from the revised budget.
The previous forecast for the nine month period ending 31 December 2008 indicated an underspend of £562,110, with most of the actual movement since being in respect of a net reduction of subsidy for Housing Benefits.

The main variations are detailed below by management unit:

	£
2008-2009 APPROVED ANNUAL BUDGET	17,775,000

SERVICE ACCOUNTS:

86A1 REVENUE COLLECTION / BENEFITS	52,136
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Changes in technical excess benefits have resulted in a reduction in subsidy received against the total benefits paid. Additionally, there has been a reduction in subsidy as a result of rentals above the threshold on hostels where the benefit cannot be restricted.

Overall, the total benefits paid in 2008-09 were £35.15m and the variance from the budget therefore amounted to 0.03%.

86A2	ELECTIONS & ELECTORAL REGISTRATION Electoral Registration costs were less than budgeted for, with savings in canvassing costs, including postage.	(26,050)
86A3	CORPORATE A revised scale of fees for external audit work carried out during the year has resulted in an increase in costs. Some of the bank charges incurred have been identified as relating to Council Tax so have been transferred to management unit 86B1 Treasury Services, see below. Vacant posts and FRS17 pension adjustments have reduced the recharges from management units 86A8 Chief Executive Services and 86B1 Treasury Services.	(56,239)
86A4	CIVIC CEREMONIALS Expenditure on Guildhall maintenance through the A.I.M. programme, including roof repairs and redecorations, was underspent during the year and slippage of an estimated £15,000 will move in to 2009-10. Some outstanding work on conserving the Cap and Sword of Maintenance will now take place in the 2009-10 financial year, with funding of £11,560 being requested to be carried forward as a supplementary budget. There has been an increase in depreciation charges for the Guildhall following a revaluation.	(25,429)
86A5	DEMOCRATIC REPRESENTATION The support services costs from the directors, member services and legal services have been reduced. There was an underspend on Members' Expenses, mainly on IT support costs. There was a slight overspend on the budget for the Local Government Review amounting to £16,700 that will be deducted from the 2009-10 budget allocation.	(51,815)
86A6	GRANTS/CENTRAL SUPPORT/CONSULTATION The Grants Committee had a credit balance of £23,460 at the end of the financial year to meet commitments in 2009-10, so it is requested that the balance is carried forward to 2009-10 as a supplementary budget. Financial contributions from our partners towards some of our Community Safety administration costs have reduced expenditure. It is requested that a supplementary budget of £12,320 is moved to 2009-10 to fund the estimated outstanding costs of printing the Community Strategy (£4,320) and for Community Involvement (8,000).	(94,987)
86A7	UNAPPORTIONABLE OVERHEADS The year-end credit balance of unallocated Central Support Services has been shown in this management unit.	(44,518)

CENTRAL SUPPORT SERVICES ACCOUNTS:

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, including capital charges and FRS17, are noted below:

86A8	CHIEF EXECUTIVE SERVICES	(91,861)
	<p>Vacancies have resulted in pay savings. The publication costs of the Exeter Citizen newspaper have increased but have been more than offset by savings in copy and postage charges in Member Services. Some project work will now be undertaken in 2009-10 and a supplementary budget of £14,000 is requested to cover this.</p>	
86A9	STRATEGIC/COMMUNITY PARTNERSHIPS	(0)
	<p>Costs incurred on Community Partnerships with other public bodies were nearly all funded by grants.</p>	
86B1	TREASURY SERVICES	(248,489)
	<p>Vacancies and the continued reviewing of duties and posts have resulted in savings in employee costs along with year-end FRS17 pension cost adjustments. Expenditure on preparing for the Local Housing Allowance scheme was covered by Government funding. IT Services recharges were reduced due to less of their time being spent on installing the new financial system (eFIMS) but this was partially offset by a greater input from the software suppliers. As referred to in 86A3 above, the cost of bank charges that could be identified as relating to Council Tax have been shown in this management unit. The completion of an upgrade in Council Tax software will now take place in 2009-10, with a consequent request for a supplementary budget of £5,000 in to this year. Additional income was received from Government grants and from neighboring Council's sharing Benefits Services.</p>	
86B2	INTERNAL AUDIT	(15,139)
	<p>There were some minor savings in pay and additional commission was received from the sale of the audit matrixes.</p>	
86B3	HUMAN RESOURCES	1,470
	<p>There has been an increase in the cost of maintaining systems due to upgrades in software and on-line services. There was an increase in the number and cost of training courses.</p>	
86B4	LEGAL SERVICES	5,853
	<p>There are no major variances to report.</p>	
86B5	CORPORATE CUSTOMER SERVICES	(199,189)
	<p>The A.I.M. programme for the Civic Centre underspent by £133,091, with some of this being slippage in to 2009-10. As a result of an upgrade in the telephony IT, there will be a saving in the maintenance costs.</p>	

Software maintenance costs relating to April 2009 and beyond have been carried forward to 2009-10 to comply with audit requirements.

There cost of postage increased above the budget, mainly due to an increase in usage.

Some of the capital investment in IT systems for information management has been reclassified and been transferred to the IT Services management unit, see below.

86B6 IT SERVICES (118,261)

Vacancies have resulted in pay savings.

New leases for photocopying equipment reduced the cost of the service along with a reduction in the number of copies used.

Software maintenance costs relating to April 2009 and beyond have been carried forward to 2009-10 to comply with audit requirements.

Some of the capital investment in IT systems for information management has now been classified as being part of the infrastructure and therefore falls within this management unit. Some project work will now be undertaken in 2009-10 and a supplementary budget of £4,750 is requested to cover this.

86B7 DIRECTOR CORPORATE SERVICES (4,781)

There are no major variances to report.

Total expenditure before internal recharges **16,857,701**

Less internal recharges **(10,949,874)**

2008-2009 NET EXPENDITURE 5,907,827

Revenue Contribution to Capital Expenditure 10,000

Movement to an Earmarked Reserve 6,510

Net expenditure after movements to reserves 5,924,337

3. RECOMMENDATION

That the Scrutiny Committee - Resources note this report.

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

1. None

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

SCRUTINY COMMITTEE - RESOURCES
STEWARDSHIP
FINAL ACCOUNTS
APRIL 2008 TO MARCH 2009

ANNUAL BUDGET	SUPPLEMENTARY BUDGETS AND VIREMENTS	REVISED BUDGET	CODE	OUTTURN	OUTTURN VARIANCE
£	£	£		£	£
1,889,460		1,889,460	86A1	1,941,596	52,136
314,240		314,240	86A2	288,190	(26,050)
902,920		902,920	86A3	846,681	(56,239)
282,850	102,610	385,460	86A4	360,031	(25,429)
915,270	283,320	1,198,590	86A5	1,146,775	(51,815)
1,108,140	37,820	1,145,960	86A6	1,050,973	(94,987)
321,110		321,110	86A7	276,592	(44,518)
1,278,070	15,000	1,293,070	86A8	1,201,209	(91,861)
0		-	86A9	0	0
3,445,710	10,000	3,455,710	86B1	3,207,221	(248,489)
241,720		241,720	86B2	226,581	(15,139)
744,880	1,200	746,080	86B3	747,550	1,470
642,570		642,570	86B4	648,423	5,853
2,923,740	29,190	2,952,930	86B5	2,753,741	(199,189)
2,121,260	14,170	2,135,430	86B6	2,017,169	(118,261)
149,750		149,750	86B7	144,969	(4,781)
<u>17,281,690</u>	<u>493,310</u>	<u>17,775,000</u>		<u>16,857,701</u>	<u>(917,299)</u>
(11,547,700)		(11,547,700)		(10,949,874)	597,826
<u>£ 5,733,990</u>	<u>£ 493,310</u>	<u>£ 6,227,300</u>		<u>5,907,827</u>	<u>(319,473)</u>
			86B1	10,000	10,000
			86B5	6,510	6,510
				<u>5,924,337</u>	<u>(302,963)</u>

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 17 JUNE 2009

WORKFORCE PROFILE REPORT 2008 - 2009

1. PURPOSE OF REPORT

- 1.1 To provide the Committee with a comprehensive workforce profile for the Council between April 2008 and March 2009.
- 1.2 To provide benchmarking and statistical data from a local, regional, national or industry basis as appropriate
- 1.3 To highlight any developing trends, areas for concern or interventions where evident.

2. BACKGROUND

- 2.1 The Council recognises that its workforce is its most valuable resource.
- 2.2 To continue delivering a high performance culture, with the right people with the right skills in the right jobs we need to have an understanding of our current workforce as a basic requirement of effective workforce planning.
- 2.3 The impact of the recession is affecting local government. A survey of 129 Council Leaders by the LGA (Local Government Association) earlier this year found that half had already cut jobs with 7 in 10 anticipating future redundancies. It also showed that income was likely to fall by £2.5bn over the next year, while at the same time demand for services was on the rise.
- 2.4 The latest Office for National Statistics labour market figures show there were 299,000 redundancies in the first quarter of 2009, and that the total number of people out of work is now 2.22 million. With 1 in 6 18-24 year-olds already jobless, the figures are particularly bad news for young people entering the labour market.
- 2.5 The population estimates for Exeter and the Heart of Devon's sub-region (EHOD) stands at around 457,400 and has increased by nearly 7% since 2001. Within this period, Exeter (+10.1%) has seen the highest rise of all districts, at more than twice the regional and national averages (+4.7% and +3.3% respectively).
- 2.6 There are around 18,300 people aged below 16 in Exeter, with around 82,900 people of working age and 21,200 people of retirement age.
- 2.7 The proportion of those aged below 16 in Exeter (15.0%) and the proportion of those of retirement age (17.3%) are lower than the local, regional and national average. Whereas the proportion of working age people (67.7%) is some way above the local, regional and national averages.
- 2.8 The main strands of the workforce profile in this report is concentrated on:
 - Baseline Workforce Data
 - Turnover
 - Sickness Absence
 - Overtime

- Equality

3. WORKFORCE PROFILE

3.1 The workforce challenges within local government continues to show a trend with:

- An ageing workforce
- Lower levels of women in senior posts
- Lower levels of younger people being recruited
- A competitive labour market in many professional fields
- A diverse workforce in terms of skills, hours worked, locations and working practices

3.2 Between 1995 and 2004 Council's occupational skills shortages increased year on year. The most widespread current occupational shortages include: social work; environmental health; planning; building control; trading standards and teaching (LGE - Local Government Analysis and Research April 2007).

The Council's Workforce Profile by Grade

3.3 The total numbers of employees as at 1st April 2008 was 960 these were distributed in the pay and grading structure as follows:

Grade	Percentage of Employees % (2007/08)	
1	5.53	(5)
2	8.94	(8.5)
3	8.51	(11.5)
4	14.89	(12.5)
5	18.94	(19)
6	13.19	(13)
7	8.51	(7.8)
8	6.81	(7)
9	6.06	(5.8)
10	3.19	(3.2)
11	1.17	(1)
12	1.70	(1.5)
13	1.39	(1.4)
14	1.17	(0.8)
Other	0	(2)

- The pay distributions generally remain constant with some movement evenly spaced across all grades. This reflects the reasonably stable organisational structure over the last 12 months.
- A large proportion, 47.02% of the total workforce, is employed on grades 4 – 6 giving a median salary of £18,438.
- The average median full time salary for a work base in Exeter is £22,900. The workplace average is higher than the residential average which is £21,300 which suggests that the highest earners with a workplace in Exeter, commute in from outside the City. (ONS Annual Survey of Hours and Earnings 2008).

Workforce by Age

Age Group	Female %	Male %	Total % (2007/08)	
16 – 25	2.09	2.19	4.28	(5.19)
26-35	11.48	10.13	21.61	(21.08)
36-44	10.44	12.53	22.96	(24.10)
45-54	11.06	17.22	28.29	(28.04)
55-60	5.22	9.39	14.61	(15.26)
61+	1.98	6.26	8.25	(6.33)

- The age profile of the Council has shown small movements upwards in age brackets and generally reflects the national trend in local government.
- Nearly half (46.4%) of the workforce in the “District Only” benchmarking local authority group is aged over 45 (HR Benchmarker 2008 DLA Piper report).
- Employees over the age of 36 account for 74.11% of the total workforce of the Council, which compares to 73.6% in the “District Only” benchmarker and 76.4% of “All Authorities” average.

Workforce by Ethnicity

Ethnic Status	Percentage % (2007/08)	
White	98.60	(98.62)
Mixed	0.47	(0.45)
Asian	0.58	(0.23)
Black	0.12	(0.11)
Chinese	0.23	(0.11)
Other	0	(0.48)
Total BME	1.40	(1.38)

- The BME breakdown of the Council differs little from the previous year and reflects generally a small percentage of diversity outside white ethnic status.
- The accuracy of this information is collected from data checking exercises, which are undertaken across the Council periodically from self-disclosure, it is therefore reliant on accurate recording and those disclosures received.
- The number of residents of Exeter from non-white ethnic group is 2.4% (2001 Census), which is higher than the representative employment of 1.4%. However this does include dated census information and does not reflect ‘in the employment market’ population or travel to work areas.
- Ethnicity profiling amongst the benchmark district councils shows BME “District Only” employment averages of 2.4% (HR Benchmarker 2008 DLA Piper report) and in local government generally the total workforce is representative of 8.3% BME employees (ONS Labour Force Survey 2007).
- Where small numbers of employees are reported it is important to note that a single reduction in numbers can make what appears to be a significant adjustment to percentages.

Workforce Turnover data

- Some levels of turnover in an organisation is to be expected and can enhance the general health and growth of the workforce introducing new and innovative ideas and ways of working. However high levels can be disruptive and costly.

Turnover is calculated using the standard 'crude wastage' method

Number of leavers

Average number of employees X 100

- Turnover in the Council was 11.08% in 2008/09 (11.04% 2007/08). The breakdown of directorate figures are highlighted below (these include all employees whether on permanent or fixed term contracts).

Directorate	Average no: of employees	Leavers	Turnover Percentage (2008)	
Chief Executive's	25.5	5	19.61	(12)
Community and Environment	529	63	11.91	(11.6)
Corporate Services	210.5	13	6.18	(8.17)
Economy and Development	192	25	13.02	(12.36)

- The CIPD (Chartered Institute for Personnel and Development) (Human Capital Checklist Survey 2008) reveals the highest levels of turnover (20.4%) are found in the private sector, primarily retailing, hotels/catering, leisure, and generally amongst the lower paid private sector groups. The public sector has an average turnover rate of 11.3% (HR "District Only" Benchmarking 2008 DLA Piper report).
- Turnover in the Council reflects a very slight increase from the previous year however this is in line with local government and 'district' norms.
- A number of service reviews and savings targets contributed to keeping the level of turnover static, without these there would have been a small decrease in natural turnover figures.

Overtime Profile

- Overtime is continually monitored to review costs and trends.
- The use of overtime is often an essential business strategy to ensure effective delivery of services and can replace the alternative of engaging agency or temporary staff that may not always be the most effective solution.
- All overtime is managed within defined salary budgets and is accounted for through financial management processes.
- Hours worked are detailed below:

Directorate	2008/09	2007/08
Chief Executive's	0	(74)
Corporate Services	2,862	(3,058)
Community and Environment	24,453	(26,305)
Economy and Development	7,224	(7,201)
Totals	34,540	(36,640)

- The total hours overtime worked shows a significant decrease of 2,099 hours. The decreases were experienced primarily in the Community and Environment Directorate and are reflective of the effective service reviews and budget savings achieved during the period reported.

Sickness Absence Profile

- Sickness absence costs 'UK plc' over £12 billion each year (Heath and Safety Executive). Most people in the workplace take some days' absence. Sickness absence is not however just about ill health, it often includes personal and work related factors.
- When absence figures are calculated at the end of the year against the numbers of employees as at 31.3.09 the figures show an increase in the average number of days sickness per full time equivalent employee.

Statistic	2008/09	2007/08
Average number of days sickness per fte	9.78	(9.14)

- Sickness absence has decreased year on year since the average 11.23 days per employee was reported in 2003/04, however 2008/09 has shown an increase of 0.64 days per FTE.
- Sickness absence is broken down for monitoring and management purposes into two categories short term (less than 20 consecutive days) and long term (more than 20 consecutive days).

Long and short term sickness	2008/09	2007/08
Long term sickness	56%	(49%)
Short term sickness	44%	(51%)
Total no of days long term absence	4661	(3867)
Total no of days short term absence	3662	(4025)

- The reasons for sickness absence are varied and typically the main four reasons for absence are muscular-skeletal/back; viral infections/colds/flu; stress anxiety/depression and stomach/internal organs. These reasons vary slightly year on year but remains the main reasons for absence.
- Average working days lost in district authorities is 8.9 days (HR "District Only" Benchmark 2008 DLA Piper report).
- Average public sector days lost per year is 9.3 days (HR "All Authorities" Benchmark 2008 DLA Piper report).

Equality in Employment Profile

Equality issues in recruitment are monitored by tracking the progress of applicants through the three main stages of recruitment:

- Applications received
- Shortlisted applications
- Appointed applications

All applications are cross-monitored and compared at three stages in the main diversity strands:

- Gender and grade
- Age
- Disability
- Ethnicity

Potential areas for gender gaps in local government are reported in the more senior levels of employment. The following table describes the percentage gender difference as a total and then drills down into grade profiles.

Gender and Grade

All Grades 2008/09	% Applicants (2007/8)		% Applicants Shortlisted (2007/8)		% Applicants Appointed (2007/8)	
Female	43	(47)	51	(54)	56	(58)
Male	57	(53)	49	(46)	44	(42)
Grades 1 – 7						
Female	41	(48)	49	(57)	53	(60)
Male	59	(52)	51	(43)	47	(40)
Grades 8 –13						
Female	44	(36.5)	69	(34)	75	(50)
Male	56	(63.5)	31	(66)	25	(50)
Senior Management Posts						
Female	0	(0)	0	(0)	0	(0)
Male	0	(0)	0	(0)	0	(0)

- In total during the period monitored 102 new appointments were made. Of these 57 (55.88%) were female and 45 (44.12%) were male.
- Whilst there are some differences in the statistics the numbers in the sample are low and difficult to determine any firm trends. Although there has been an increase in the percentage of women being recruited in grades 8-13 from 2007/08.
- The Council employs 16.98% of women in the top 5% of earners compared to 46.6% across all local authorities average (HR Benchmarker 2008 DLA Piper report).

Age

Age Groups	% Applicants (2007/08)		% Shortlisted (2007/08)		% Appointed (2007/08)	
16 – 18 years	1.00	(1.07)	0.21	(0.39)	0	(0)
19 – 25 years	23.59	(23.77)	18.39	(19.08)	9.61	(20.91)
26 – 35 years	26.68	(26.90)	29.75	(32.18)	36.27	(37.27)
36 – 45 years	21.80	(21.01)	23.35	(22.35)	17.65	(20.00)
46 – 55 years	18.07	(18.48)	19.42	(17.73)	20.59	(13.64)
56 – 65 years	7.76	(6.79)	8.68	(7.13)	5.88	(6.36)
65 +	0.15	(0.23)	0.21	(0)	0	(0)
Unknown	0.94	(1.75)	0	(1.14)	0	(1.82)

- From a total of 3298 applications 33 were received from aged 16 – 18, none of these applicants were successfully appointed, this reflects no appointments in 2007/08.
- Statistically the most successful age group recruited were aged between 26-35. Of a total 828 applications received 41 were appointed. This was the highest appointed age bracket.
- This breakdown supports the overall workforce profile statistics, which demonstrates that overall, employees aged between 16-25 have decreased from 5.19% to 4.28% which is an ongoing decline.

Disability

Disability	% Applicants (2007/08)		% Shortlisted (2007/08)		% Appointed (2007/08)	
Non Disabled	83.29	(83.21)	90.08	(91.33)	91.18	(95.45)
Disabled	4.08	(5.41)	5.99	(5.01)	3.92	(1.82)
Unknown	12.63	(11.38)	3.93	(3.66)	4.90	(2.73)

- The figures represent that from the total applications received 133 declared a disability a further 412 did not disclose whether they 'did' or 'did not' have a disability.
- The average district percentage of total workforce with a disability is 4.6% (HR Benchmarker 2008 DLA Piper report).
- The Council has an overall percentage of 1.89 total workforce with a declared disability.

Ethnicity

Ethnic Origin	% Applicants (2007/08)		% Shortlisted (2007/08)		% Appointed (2007/08)	
Black Caribbean	0.03	(0.16)	0	(0.19)	0	(0)
Black African	0.49	(0.56)	0.21	(0.58)	0	(0)
Indian	0.55	(0.62)	0.41	(1.35)	0	(1.82)
Bangladeshi	0.06	(0.10)	0	(0)	0	(0)
Pakistani	0.25	(0.07)	0	(0)	0	(0)
Chinese	0.46	(0.16)	0.41	(0.39)	0.98	(0)

White UK	87.92	(86.04)	90.29	(88.65)	89.22	(92.72)
White – other	6.13	(4.70)	4.34	(2.5)	2.94	(0.91)
Black – other	0.06	(0.20)	0	(0.19)	0	(0)
Other	1.44	(1.51)	1.45	(0.76)	1.96	(0.91)
Unknown	2.61	(5.88)	2.89	(5.39)	4.90	(3.64)

- The statistics when fully broken down into BME categories do involve very small numbers of the total applications received. A total of 2865 applicants declared as white-British against for example the highest individual BME group where 18 applicants declared as Indian.
- Total non-white British applications received from BME groups (excluding ‘not known’) was 309, a percentage of 10.08 of all applications received.
- The total appointments made from BME applicants (excluding ‘not known’) were 6, a percentage of 1.94 of all applications received.

4. HIGHLIGHTS FROM THE WORKFORCE DATA

- 4.1 The organisational structure and workforce profile has remained relatively static over the last 12 months.
- 4.2 This level of stability has also been evident through average turnover levels which in turn will have limited the levels of recruitment in the Council.
- 4.3 Lower levels of turnover are healthy for the organisation as there is reduced disruption, continued employment of skilled employees and reduced costs associated with replacement of staffing.
- 4.4 This does however also place limits on the ability of the Council to alter its profile with regards to age, gender, disability and ethnicity.
- 4.5 Sickness absence has shown the first increase since 2003 which is a concern.
- 4.6 Overtime has decreased significantly. The use of overtime whilst requiring monitoring and management can be the most efficient and timely route for achieving outcomes. Effective service reviews and budget reviews has impacted on this reduction.

5. THE CURRENT CHALLENGES

- 5.1 The recent economic downturn has seen a fall in house prices, a collapse in the area of finance and banking and job losses across all sectors.
- 5.2 The predictions are likely to result in higher redundancies and less recruitment, particularly in the public sector.
- 5.3 The predicted jobs slowdown will particularly affect younger workers and graduates, who stand to suffer most from any recruitment freezes.
- 5.4 The investment in adult skills is appropriate and timely and the work the Council has done to improve the literacy and numeracy of lower skilled employees through the Government’s Training initiative “Train to Gain” is a significant achievement.
- 5.5 The Government predicted investment of around £1 billion to support the creation of jobs for long-term unemployed, young people and others who face significant disadvantage may assist in developing bids for apprenticeship placements and new jobs.

5.6 With ongoing budget pressures and uncertainty around the future of local government structure in Devon it is an increasing challenge for the Council to achieve workforce development in particular areas such as younger people, BME groups and disability.

6. CHALLENGES AHEAD

6.1 The Council will need to continue to promote its unique employment opportunities to ensure that it remains strong in the employment market. Senior and professional job profiles in some areas remain very competitive and these challenges continue for local authorities nationally.

6.2 Encouraging a younger workforce is necessary whilst remaining compliant and considerate of age legislation across the full range of potential applicants. Emphasis on training opportunities and modern apprenticeships will continue to ensure the skills for the future are in place.

6.3 Sickness absence levels continues to be a challenge and becomes a priority as the figures have increased. Continued resource will be put into appropriate interventions to case manage and drive sickness absence levels down to create a healthier more productive workforce.

6.4 The outcome of the Boundary Committee review and the decision on the future of Devon will further enhance the workforce challenges with a need for strong clear leadership to motivate, retain and maintain a highly performing skilled workforce to continue to deliver key local government services for the future.

7. RECOMMENDATIONS

7.1 That the Scrutiny Committee note the contents of this report and agree the proposed actions outlined.

HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

1. HR Benchmarked DLA Piper 2008

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EXETER CITY COUNCIL

SCRUTINY RESOURCES 17 JUNE 2009

ANNUAL LEARNING & DEVELOPMENT REPORT 2008/2009

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to summarise the Member and employee learning & development activities undertaken during 2008/9.

2. BACKGROUND TO THE REPORT

- 2.1 The Council makes an ongoing resource commitment to learning & development of all employees and of Members. This report summarises the main activity and the impact this has on the opportunities for employees to improve their personal knowledge and skills.
- 2.2 As in previous years there has been a high level of learning & development activity during the year.
- 2.3 The average number of learning & development days per employee was 3.37 days. The percentage of new employees receiving the corporate induction learning & development programme within 12 weeks of joining the Council was 92.25% and the number of hours IT learning & development per person was 2.31 hours.
- 2.4 A significant amount of learning & development linked to IT development also took place directly in service areas and is not included in the corporate indicator of 2.31 hours.
- 2.5 The timing and variety of learning & development available ensures that both full and part time employees are able to attend learning & development. Part-time employees attending learning & development outside their normal hours are paid the same as a full time employee.
- 2.6 The number of employees covered by the Council's appraisal scheme who received an appraisal during the year was 97%.

3. LEARNING AND DEVELOPMENT COURSES

- 3.1 Learning & development courses were provided for a wide variety of subjects and can be categorised as follows:
- a) Corporate Learning & Development
 - b) Management Development
 - c) Member Development
 - d) Interpersonal skills Learning & Development
 - e) IT skills
 - f) Academic qualifications
 - g) CPD (Continuous Professional Development) seminars and short courses
 - h) NVQ's
- 3.2 Specific information on the number of courses is available on request.

4. CORPORATE LEARNING AND DEVELOPMENT

4.1 A number of corporate learning & development programmes are provided each year for new employees. These include the Induction programme, Appraisal, Customer Care, Diversity, Step-Away Policy and Health & Safety.

4.2 MRF LEARNING AND DEVELOPMENT

Each year new corporate initiatives are introduced and particular attention has been focussed this year on Literacy; Numeracy, English language for employees where English is their second language and British Sign Language.

- In particular, the MRF has received an employer's award from 'English@work in Devon' which is a part of the Learning and Skills Council for its continuing work in providing specialist learning & development to its staff.
- In 2007/08 the MRF supervisor completed the first level in Polish language learning & development and has this year commenced the next level.
- Learning & development courses on Health & Safety, Appraisals and Diversity have been provided using translators for Polish, Slovakian and Ukrainian speaking staff.
- Literacy and numeracy learning & development has again been provided to MRF staff this year in conjunction with Exeter College.

British Sign Language introductory taster courses were provided for 16 employees during the year.

.3 The Housing Benefits Customer Services Team have now completed a Customer Service Learning & Development Programme as a part of their integration into the Customer Services Team.

5. MANAGEMENT DEVELOPMENT

5.1 The management development programme was reviewed during 2008 and a report on a proposed new management development scheme was approved by SMT. The new scheme is accredited and nationally recognised by the Institute of Leadership and Management.

5.2 The ILM scheme has a number of levels corresponding to the management levels in the organisation.

5.3 During 2008/09 :

- 10 managers undertook ILM Level 2 (Team Leaders and Supervisors)
- 9 managers undertook ILM Level 3 (Middle Managers)
- 7 managers undertook ILM Level 4 (Development Level for Middle Managers)

The programme has been well received by all managers on the programme.

6. MEMBER DEVELOPMENT

6.1 Progress has continued on the Council's application to IDeA for the Member Development Charter Mark for Councils. The Council wide self assessment that is a requirement of the application has now been completed and this will inform the Action Plan

- 6.2 Following some initial work on personal development plans for Councillors, it is now proposed to roll them out to other Councillors with a view to constructing a comprehensive learning & development plan during the next two years.
- 6.3 Councillors have been invited to attend a wide range of learning events this year, including e-learning, IT and Soft skills and 90 minute power training sessions. A number of Councillors attended 18 of these special learning & development events that were organised primarily for officers.
- 6.4 Councillors were invited to a range of external training events funded by the Regional Improvement and Efficiencies Programme.
- 6.5 Councillors also attended sixteen briefings on a variety of subjects this year. The average attendance of Councillors at each briefing was 13.

7. INTERPERSONAL SKILLS

- 7.1 The Council's Learning & Development Brochure can be found on the Council's intranet site. This lists up to sixty courses including interpersonal skills and IT learning & development courses that are available. Each year a variety of interpersonal skills courses are scheduled and these cover a wide variety of subjects.
- 7.2 Each year new subjects are identified and courses introduced. This year a new set of short learning & development sessions called '90 minute power sessions' have been launched.
- 7.3 The initial programme schedule covered:
- Coping with change
 - Myers Briggs (how personality type profiling can help you communicate and work better)
 - Effective Meetings
 - Personal Stress Management
 - Motivation Skills

A further range of topics are planned throughout 2009.

8. IT SKILLS

- 8.1 IT learning & development is provided on a flexible basis. Full one and two-day courses are offered but shorter two-hour courses are also provided. This method allows the current IT learning & development provider, to target specific subject such as mail merge and Excel tables on shorter sessions. Solutions for IT learning & development problems are also available by email, phone and desk-side visits. Feedback from staff has been very good.
- 8.2 This year new courses have also been provided on specialist software such as Keypoint software updates and CMS software

9. ACADEMIC QUALIFICATIONS

- 9.1 The Council supports a number of employees each year in gaining academic qualifications. These cover a wide range of subjects and details. The subjects include degree-level courses and craft subjects.
- 9.2 Four employees are enrolled on the Modern Apprenticeship Scheme for electricians, carpenters and plumbers. A further Modern Apprenticeship has also been provided in the HR Service Unit. There are 50 other employees undertaking academic qualification courses.

10. CPD SEMINARS AND SHORT COURSES

- 10.1 All professional staff are required or encouraged by their professional institute to keep up to date with changes in legislation and updates to their particular discipline.
- 10.2 Continuous Professional Development (or CPD) is generally obtained by attending short seminars and workshops. Staff attended thirty-two events and activities this year. These events are vital in keeping staff aware of important changes to enhance their skills in delivering the Council's services.

11. NVQ LEARNING & DEVELOPMENT

- 11.1 This year a number of employees throughout the Council have been able to take advantage of Government funding that supports NVQ's in the workplace.
- 11.2. The Housing Benefits Manager has completed a project this year to set up an NVQ assessment centre registered with the IRRV for the provision of a NVQ level 3 qualification in Revenue and Benefits Assessment.
- 11.2 Funding for the project has been accessed from Government NVQ funding through Exeter College.
- 11.3 Six Parks and Open Spaces staff have completed an NVQ Level 2 in Amenity Horticulture via the Train to Gain programme.
- 11.4 Ten staff at the Materials Reclamation Facility have completed an NVQ in Waste Management Operations through Train to Gain.
- 11.5 Four Customer service Staff are taking an NVQ level 3 in Customer Service.

12. Work Experience Placements

- 12.1 27 work experience placements have taken place during the year for a range of people. These include overseas students as a part of the Leonardo Da Vinci scheme run in conjunction with our twin town of Rennes; people with disabilities; unemployed people trying to get back into the workplace; young people from both school and university.

13. Young Apprentice Scheme

- 13.1 The Council has set up a Young Apprentice Scheme in partnership with the Education Training & Skills organisation and St. James' School in Exeter. It is designed to help young people develop business skills whilst they are still at school.
- 13.2 The scheme allows young people to study for a vocational qualification by splitting their time between the school classroom, College and the workplace.
- 13.3 This year there have been three placements. One in the Environmental Health Services Business Support unit, one in Corporate Customer Services and one in Licensing Services.

14. DEVELOPMENTS FOR 2008/09

- 14.1 The coming year will present a number of challenges for the learning & development service that will include:
- further briefings on the Local Government Review
 - ongoing development of the management competency framework

- Member competency self assessment programme
- re-design of the staff induction programme into an e-learning package
- Continued commitment to the new young apprentice scheme for 14 to 16 year olds.

15 RECOMMENDATION

- 15.1 That Scrutiny Resources notes the learning & development and development activities undertaken throughout the year.

HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

1. None

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EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
17 JUNE 2009

MEMBERS' ALLOWANCES 2008/09

1 PURPOSE OF REPORT

- 1.1 To report the allowances paid to Members in 2008/09.

2 BACKGROUND

- 2.1 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

- 2.2 The allowances and expenses paid to Members in 2008/09 are set out in the Appendix attached.

3 RECOMMENDED

- 3.1 To note the allowances paid to Members in 2008/09.

ASSISTANT CHIEF EXECUTIVE

CHIEF EXECUTIVE'S DEPARTMENT

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:-

None

5 June 2009

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Emp No	Title	Initials	Surname	Basic Allowance	Special Allowance	Broadband	Carers	Expenses
005767	CLLR	D	BALDWIN	4,430.04	4,692.02	90.00		
006645	CLLR	M	BALDWIN	4,430.04	4,430.04	90.00		
006653	CLLR	AG	BOND	4,430.04		90.00		
004183	CLLR	C	BOYLE	4,430.04	785.97	90.00		
004927	CLLR	RA	BRANSTON	4,430.04	261.99			
002742	CLLR	PJ	BROCK	4,430.04		90.00		
004930	CLLR	SR	BROCK	4,430.04	5,859.03			
004931	CLLR	M	CHOULES	4,430.04		90.00		
004925	CLLR	JH	COATES	4,430.04	3,906.05			
006414	CLLR	NS	COLE	4,430.04	5,859.03	90.00		
002722	CLLR M	ME	DANKS	4,430.04		90.00		
003494	CLLR	VA	DIXON	428.71	643.06	15.00		
003175	CLLR	PW	EDWARDS	4,430.04	3,524.92			
002724	CLLR	ME	EVANS	428.71				
005765	CLLR	AA	FULLAM	4,430.04	12,242.04	90.00		
006651	CLLR	CG	GALE	4,430.04				
006128	CLLR	RM	HANNAFORD	4,430.04	5,859.03			
007104	CLLR	AJ	HANNAFORD	4,013.23				
004188	CLLR	YAC	HENSON	4,430.04	4,168.04	90.00		
004528	CLLR	SM	HOBDEN	4,013.23				
007105	PROF	B	KIRBY		1,040.26			
004929	CLLR	RC	LYONS	428.71	428.71	15.00		
006150	CLLR	IJ	MARTIN	4,430.04		90.00		
005764	CLLR	KJ	MITCHELL	4,430.04	5,859.03			
006141	CLLR	KJ	MOORE	428.71		15.00		
001993	CLLR	J	MORRISH	4,430.04	2,214.96	90.00		
003498	CLLR	DJ	MORRISH	4,430.04		90.00		
005766	CLLR	RC	NEWBY	4,430.04		90.00		
006712	CLLR	AV	NEWCOMBE	4,430.04				

Sheet1

006885	CLLR	L	NEWTON	4,430.04			
006649	CLLR	BC	NOBLE	4,430.04	1,952.98	90.00	
006122	CLLR	P	PETTINGER	428.71		15.00	
006955	CLLR	P	PROWSE	0.00			
006646	CLLR	LS	ROBSON	4,430.04		90.00	
003492	CLLR	GN	SHELDON	4,430.04	785.97		
004926	CLLR	PJ	SHEPHERD	4,430.04	785.97	90.00	
004924	CLLR	N	SHIEL	4,430.04		90.00	134.30
003496	CLLR	HA	SLACK	428.71		15.00	
003499	CLLR	PA	SMITH	4,430.04	261.99		
006647	CLLR	R	SMITH	4,430.04		22.50	
007088	CLLR	WM	STARLING	4,013.23		75.00	
003171	CLLR	HR	STERRY	4,430.04			
007102	CLLR	JA	TAGHDISSIAN	4,013.23		75.00	
007089	CLLR	C	THOMPSON	4,013.23		75.00	
004921	CLLR	PR	WADHAM	4,430.04	5,859.03		159.00
007103	CLLR	AJ	WARDLE	4,013.23			
004928	CLLR	JW	WINTERBOTTOM	4,430.04		90.00	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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