

4	<u>CAPITAL MONITORING STATEMENT TO SEPTEMBER 2009</u>	
	To consider the report of the Head of Treasury Services.	19 - 36
	Scrutiny Committee – Resources considered the report at their meeting on 25 November 2009 and their comments will be reported.	
	(Report circulated)	
5	<u>OVERVIEW OF THE GENERAL FUND REVENUE BUDGET 2009/10</u>	
	To consider the report of the Head of Treasury Services.	37 - 44
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	(Report circulated)	
6	<u>ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION</u>	
	To consider the report of the Head of Treasury Services.	45 - 48
	Scrutiny Committee – Resources considered the report at their meeting on 25 November 2009 and their comments will be reported.	
	(Report circulated)	
7	<u>TREASURY MANAGEMENT 2009/10</u>	
	To consider the report of the Head of Treasury Services.	49 - 52
	Scrutiny Committee – Resources considered the report at their meeting on 25 November 2009 and their comments will be reported.	
	(Report circulated)	
8	<u>STAFFING - HOUSING BENEFITS</u>	
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	(Report circulated)	

9 **RESULTS OF PUBLIC CONSULTATION: DRAFT SUPPLEMENTARY
PLANNING DOCUMENT ON PLANNING OBLIGATIONS**

To consider the report of the Head of Planning and Building Control. The full Document has been circulated separately to Members and is available on the Council's website. 55 - 64

(Report circulated)

10 **WAVELENGTH 20 - SURVEY RESULTS**

To consider the report of the Assistant Chief Executive. The full report has been circulated separately to members and is available on the Council's website. 65 - 68

(Report circulated)

Part II: Items suggested for discussion with the press and public excluded

11 **INFORMATION MANAGEMENT - STAFFING**

To consider the report of the Head of Corporate Customer Services and the Head of IT Services regarding the restructuring of the Information Management service. 69 - 76

Scrutiny Committee – Resources considered the report at their meeting on 25 November 2009 and their comments will be reported.

(Report circulated to Members)

12 **QUARTERLY PROGRESS REPORT - ROYAL ALBERT MEMORIAL MUSEUM
(RAMM) DEVELOPMENT PROJECT**

To consider the report of the Head of Leisure and Museums seeking agreement to the settlement of outstanding claims. 77 - 82

Scrutiny Committee – Resources considered the report at their meeting on 25 November 2009 and their comments will be reported.

(Report circulated to Members)

13 **SOIL EROSION AT CLIFTON HILL**

To consider the report of the Head of Leisure and Museums on the soil erosion problems at Clifton Hill Golf Driving Range. 83 - 90

(Report circulated to Members)

DATE OF NEXT MEETING

The next scheduled meeting of the Executive will be held on **Tuesday 26 January 2010** at 5.30 pm in the Civic Centre.

A statement of the executive decisions taken at this meeting will be produced and made available as soon as reasonably practicable after the meeting. It may be inspected on application to the Customer Service Centre at the Civic Centre or by direct request to the Member Services Manager on 01392 265110. Minutes of the meeting will also be published on the Council's web site as soon as possible.

Membership -

Councillors Fullam (Chair), S Brock, Cole, Edwards, Mrs Henson, Mitchell, Mrs J Morrish, Newton and Wadham

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Individual reports on this agenda can be produced in large print on request to Member Services on 01392 265111.

EXETER CITY COUNCIL

EXECUTIVE
8 DECEMBER 2009

2010/11 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN

1. PURPOSE OF THE REPORT

- 1.1 To provide a strategic overview of the budgetary position for the 2010/11 financial year and beyond including an indication of the likely level of available resources and the known demand for resources and the proposals to ensure that a balanced budget is achieved.

2. BACKGROUND

- 2.1 The Council is again faced with a very challenging financial position for next year particularly due to the low revenue grant settlement combined with other budgetary pressures. In the current year the revenue budget is under pressure in a number of areas due mainly to the continuing effect of the current economic recession.
- 2.2 The Government's Comprehensive Spending Review (CSR) that was scheduled to take place during 2009 has been postponed until after the next General Election. The CSR would have set out the Government's spending plans on all public services over the next 3 year period commencing from 2011/12. Although this decision to postpone does not impact upon the level of grant to be received next year, it does mean that planning for the medium term is made more difficult. Nevertheless, all the current indications are that after the next election, public services are likely to be set for their biggest spending cut in more than 30 years. Also, given that Health and Education are likely to remain as priority areas for government spending, the financial situation facing all district councils in particular is likely to be extremely challenging.
- 2.3 After many weeks of strong lobbying, the Government has finally issued a consultation paper which sets out their proposals for the funding of concessionary travel in 2010/11 and seeks responses from authorities, which need to be submitted by 30 December. If the proposals are endorsed they will give the Council an additional £1.65 million of special grant. Whilst this additional grant is very welcome, it will still be necessary for the Council to find revenue savings of about £1 million next year. In the event this additional grant is not forthcoming, then further cuts of more than £1.5 million would need to be identified after Christmas.
- 2.4 The City Council's final formula grant settlement for 2009/10 equated to a year-on-year cash increase of only £106,000 (0.9%). However, the provisional grant settlement figure for next year indicates an even tougher settlement with a yearly cash grant increase of only £91,000 (0.8%).

3. KEY ASSUMPTIONS

- 3.1 In producing the Council's medium term financial plan and annual revenue budget a number of factors have to be taken into consideration. Economic factors outside of our control such as inflation, interest rates, and economic growth etc. can have a huge impact upon the Council's overall financial position. Consequently it is necessary to make a number of assumptions on such issues so that a meaningful financial plan can be produced.

3.2 The following assumptions have been made with regard to the revenue budget for 2010/11:

Expenditure

- Pay award 1.0%
- Pay Increments 0.5%
- Utilities Nil
- Contracts 1.5%
- Insurance 3.0%
- Fuel 3.0%
- General Inflation Nil (see para 3.4 below)

Income

- Car Parks 2.5% (VAT only increase)
- Commercial Rent Nil percentage increase
- Other Income 2.0%

3.3 The pay settlement for the current year has been agreed at 1% for the majority of staff and a nil increase for senior staff. It is extremely likely that there will be pressure to limit public sector pay again next year and therefore it is felt prudent at this stage to budget next year for a pay increase of only 1.0%.

3.4 As a means of finding efficiency savings many non-pay budgets will again not be fully increased for inflation. There will be some exceptions to this in particular where there are ongoing contractual arrangements in place and where the Council has to meet the full price increase e.g. insurance and fuel. Recently released figures show that UK inflation increased in October mainly reflecting changes in fuel prices. The Consumer Prices Index (CPI) measure rose to 1.5%, up from 1.1% in September. The Retail Prices Index (RPI), the alternative measure of inflation which includes housing costs, also rose to -0.8% from -1.4%. Although the Government no longer produce targets for the RPI it is still used to determine increases in pensions, benefits and pay negotiations. The Bank of England has also said that inflation will probably go up after the temporary reduction in VAT expires in January, although inflation is then expected to fall back again. The government target for the CPI measure is 2%.

3.5 With regard to interest rates the Bank of England has put the base rate of interest on hold at only 0.5% since March 2009. Although many analysts are predicting that interest rates could start to increase next year, in the short term they are likely to remain at their historically low levels. The low levels of interest rates affect the City Council in a number of ways. On the negative side the Council has to assume lower investment returns on cash deposits in comparison with previous years. This has also been exacerbated by the continuing lack of confidence within some parts of the banking sector. The likelihood is that investment returns will be no more than 3% in comparison with returns in excess of 6% that we have achieved in recent years. Conversely, on the positive side, the lowering of interest rates also means that the cost of borrowing is now also cheaper. This is particularly important to the City Council now that it has to make use of borrowing in order to fund part of its capital programme.

4. COUNCIL TAX

4.1 No changes have been made to the existing assumptions regarding council tax. The budget strategy therefore still includes an assumption that council tax can increase by 4.5% for the next 3 years from 2010/11 to 2012/13. Although capping criteria are yet to be announced by

the Government, there is a risk of the Council being capped should it approve a council tax increase of 4.5% for next year. For every 1% change that is made to this council tax assumption this will have the effect of either decreasing or increasing council tax revenue by £45,000.

5. LIKELY REVENUE RESOURCES 2009/10 TO 2012/13

5.2 The Government has already announced its provisional announcement for the 2010/11 grant settlement and is likely to be subject only to minor changes, if any at all. Looking beyond next year, the current medium term financial plan has assumed that formula grant will be kept at the 2010/11 level i.e. a nil increase. However, as already indicated above, the current state of the UK economy and public finances in particular indicate that even a nil increase beyond 2010/11 may be overly optimistic. Some other local authorities are already undertaking scenario planning based upon significant reductions of government grant. The City Council's formula grant for 2010/11 is expected to be about £12.09 million. As an example, a 5% reduction in grant could see our resources reduced by a further £605,000.

5.3 If the current assumption regarding council tax remains the same (4.5% increase per annum) and formula grant remains at the 2010/11 level, then the additional resources would be:-

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Formula Grant	11,999	12,090	12,090	12,090
LABGI	56	50	0	0
Council Tax	4,529	4,730	4,966	5,241
Total Resources	16,584	16,870	17,056	17,266
Yearly Increase	369	286	186	210

5.4 However, if formula grant were to be reduced by 3% each year after 2010/11, then the available resources would be:-

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Formula Grant	11,999	12,090	11,730	11,370
LABGI	56	50	0	0
Council Tax	4,529	4,730	4,966	5,241
Total Resources	16,584	16,870	16,696	16,611
Yearly Increase/(decrease)	369	286	(174)	(85)

6. NEW REVENUE BIDS AND ADDITIONAL SPENDING PRESSURES

6.1 The attached Appendix 1 shows the increases in revenue costs that have been identified so far. For 2010/11 increased revenue costs of some £1,016,000 have been identified arising from proposed new revenue and capital bids together with other identified additional spending pressures. A summary of this amount is also shown below:-

	£'000
Unavoidable or already committed spending pressures	709
Proposed new recurring revenue bids	34
Proposed new non-recurring revenue bids	65
Revenue and borrowing costs of capital programme	<u>261</u>
	1,069

7. REVENUE SAVINGS

- 7.1 Savings proposals to reduce the revenue base budget in 2009/10 by £1.008 million have been identified in order to alleviate the financial pressures that are facing the Council next year. These are in the process of being reviewed by the Resources Member Working Group and will now be incorporated within the budget papers that will be presented together with any comments, during the December meetings of Scrutiny Committees to consider next year's budget. However due to the likelihood of further revenue pressures facing the Council beyond 2010/11 other savings will need to be identified for future years.

8. REVISED MEDIUM TERM REVENUE PLAN (APPENDIX 2 AND 3)

- 8.1 An updated Medium Term Financial Plan (MTFP) including the impact of the proposed revenue savings is set out in Appendix 2 and 3. These are based upon the 2 different grant assumptions set out in section 3 above. Appendix 2 assumes that the level of formula grant is the same for each of the years 2010/11 to 2012/13 whereas Appendix 3 is based upon a grant reduction of 3% after 2010/11.

9. ASSET IMPROVEMENTS AND MAINTENANCE (AIM)

- 9.1 The draft revenue proposals for 2010/11 include an overall allowance of £1,513,500 for AIM expenditure (£1,526,510 2009/10) in order to maintain and service the Council's non-housing properties. Of this amount £1,322,000 will be allocated to meet on-going revenue commitments and £191,500 for high priority service requirements.

10. CAPITAL PROGRAMME

- 10.1 Attached at Appendix 4 is a table setting out the forecast capital resources available for General Fund capital schemes over the next five years. This table is based upon our actual committed programme with an assumption of 70% of committed expenditure being spent in the year approved. It shows that the Council now has to use significant amounts of borrowing in addition to its other capital resources to finance its capital programme requirements. This also has an ongoing impact on the Council's revenue budget. The prudential capital framework enables the Council to borrow within self-imposed targets largely based on affordability. Therefore, before a final decision is made regarding the proposed capital programme the Council will need to demonstrate that its capital spending plans are affordable within the medium term financial plan.
- 10.2 It is expected that the available resources for the General Fund Capital Programme (other than borrowing) over the next 5 years will total about £15.6 million and the capital programme that can be funded other than by borrowing is therefore still quite substantial. However in terms of the General Fund, it is proposed that some £38.7 million is committed over the next 5 years for capital schemes with a resultant borrowing requirement of £23.1 million. The actual proposed Capital Programme for next year and beyond, including any new bids and the review of the currently approved programme will be presented during the round of scrutiny budget meetings in December.

11. RISK ASSESSMENT

- 11.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the Government and general prevailing economic conditions. In addition there are a number of uncertainties that could affect the financial position either now or in the future. These include the level of future years' pension contributions, potential costs arising from the review of service plans, and the cost of any new statutory functions.

11.2 Although the Council faces risks from the assumptions and uncertainties outlined above these have been mitigated by the following:

- Adopting a prudent approach to financial forecasting which involves obtaining information from external professional sources
- Continuous monitoring and review of the key factors together with regular reports to Members on any key issues
- Regular stewardship meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity
- The adoption of robust financial management arrangements including option appraisal, risk assessment and financial monitoring
- Retaining a prudent level of reserves and balances

11.3 As part of the general budget-setting process the Council needs to also consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage the potential risks. A risk assessment has been undertaken of the main volatile budget areas, which is shown as Appendix 5 to this report.

12. RECOMMENDATIONS

It is recommended that: -

12.1 The contents of the report are noted and that the proposals to establish a balanced revenue budget and capital programme are approved.

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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	2010/11 £000's	2011/12 £000's	2012/13 £000's
<u>Unavoidable or Already Committed from Previous Years</u>			
Corporate Services			
Elections	70		
Economy and Development			
Concessionary Travel	350		
Reduction in income re car parking and planning	250		
AFU	109		
Community and Environment			
Museum - RAMM Re-development		335	
	709	335	0
<u>New Revenue Bids - Recurring</u>			
Corporate Services			
Additional staffing for Elections	30		
Website monitoring licence	4		
	34	0	0
<u>Non Recurring</u>			
Economy and Development			
Exeter Business Centre Shortfall	65		
	65	0	0
<u>Revenue Costs Arising from New Capital Bids</u>			
IT			
New BIT bids	21		
General			
Unsupported Borrowing Costs of Capital - Repayment of Loan	240	422	179
New Capital bids			100
	261	422	279
TOTAL	1,069	757	279

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MEDIUM TERM REVENUE PLAN (2009/10 - 2012/13) - FORMULA GRANT REMAINS THE SAME

	2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000
Resources				
Central Government Support	11,999	12,090	12,090	12,090
Local Authority Business Growth Incentive Grant	56	50	0	0
Council Tax	4,529	4,730	4,966	5,241
Likely resources	16,584	16,870	17,056	17,331
Expenditure				
Service expenditure				
Committee expenditure base budget	18,402	18,357	17,052	17,640
Inflation	490	290	269	279
Potential increase in service costs	2,680	1,069	757	279
Identified reductions / additional income	(662)	(1,748)	(138)	(149)
2009/10 Identified Revenue Savings Phase 1	(1,031)			
2009/10 Identified Revenue Savings Phase 2	(1,522)	84		
Additional Savings Required		(1,000)	(300)	(300)
	18,357	17,052	17,640	17,749
Forecast overspend Qtr 2	167			
Supplementary Budgets	103			
AIM Carry Forward	353			
Provision for Redundancy	500	500		
LGR Costs including mobile working	300			
	19,780	17,552	17,640	17,749
Other funding				
Investment interest	(201)	(100)	(100)	(100)
Contribution to/ (from) earmarked reserves	(807)	0	0	0
Contribution to/ (from) balances - Other	(2,188)	(582)	(484)	(318)
	(3,196)	(682)	(584)	(418)
Total Net Budget	16,584	16,870	17,056	17,331

Opening General Fund Balance	5,583	3,395	2,813	2,329
Closing General Fund Balance	3,395	2,813	2,329	2,011
Balance as a percentage of budget	20.5%	16.7%	13.7%	11.6%

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MEDIUM TERM REVENUE PLAN (2009/10 - 2012/13) - FORMULA GRANT REDUCED BY 3%

	2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000
Resources				
Central Government Support	11,999	12,090	11,730	11,370
Local Authority Business Growth Incentive Grant	56	50	0	0
Council Tax	4,529	4,730	4,966	5,241
Likely resources	16,584	16,870	16,696	16,611
Expenditure				
Service expenditure				
Committee expenditure base budget	18,402	18,357	17,052	17,290
Inflation	490	290	269	273
Potential increase in service costs	2,680	1,069	757	279
Identified reductions / additional income	(662)	(1,748)	(138)	(149)
2009/10 Identified Revenue Savings Phase 1	(1,031)			
2009/10 Identified Revenue Savings Phase 2	(1,522)	84		
Additional Savings Required		(1,000)	(650)	(663)
	18,357	17,052	17,290	17,030
Forecast overspend Qtr 2	167			
Supplementary Budgets	103			
AIM Carry Forward	353			
Provision for Redundancy	500	500		
LGR Costs including mobile working	300			
	19,780	17,552	17,290	17,030
Other funding				
Investment interest	(201)	(100)	(100)	(100)
Contribution to/ (from) earmarked reserves	(807)	0	0	0
Contribution to/ (from) balances - Other	(2,188)	(582)	(494)	(319)
	(3,196)	(682)	(594)	(419)
Total Net Budget	16,584	16,870	16,696	16,611

Opening General Fund Balance	5,583	3,395	2,813	2,319
Closing General Fund Balance	3,395	2,813	2,319	2,000
Balance as a percentage of budget	20.5%	16.7%	13.9%	12.0%

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GENERAL FUND	2009-10 £	2010-11 £	2011-12 £	2012-13 £	2013-14 and Beyond £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward	0					0
Ringfenced Usable Receipts Brought Forward	237,808					237,808
GF capital receipts	134,360	320,000	550,000	500,000	500,000	2,004,360
GF capital receipts from the Canal Basin Redevelopment	105,000	495,132	680,528	0	0	1,280,660
Revenue Contributions to Capital Outlay	324,999	833,656	0	0	0	1,158,655
Disabled Facility Grant	270,000	270,000	270,000	270,000	270,000	1,350,000
Less ringfenced for Disabled Facility Grants	0	0	0	0	(270,000)	(270,000)
Other - Grants/External Funding/Reserves/S106	1,264,994	600,784	0	0	0	1,865,777
Regional Housing Capital Grant	1,004,796	630,000	630,000	630,000	630,000	3,524,796
Less Regional Housing Capital Grant for private sector renewal	0	0	0	0	(630,000)	(630,000)
Heritage Lottery Fund	4,814,275	0	892,200	0	0	5,706,475
Transfers from Social Housing Pot to the Housebuilding Programme	(168,000)	0	0	0	0	(168,000)
Transfers from Social Housing Pot to the HRA	(415,514)	0	0	0	0	(415,514)
Total Resources Available	7,572,717	3,149,572	3,022,728	1,400,000	500,000	15,645,017
GENERAL FUND CAPITAL PROGRAMME						
Committed Capital Programme	19,403,159	9,568,190	5,764,510	1,740,000	200,000	36,675,859
Proposed New Bids	0	1,668,790	120,000	120,000	140,000	2,048,790
Total General Fund	19,403,159	11,236,980	5,884,510	1,860,000	340,000	38,724,649
ESTIMATED SPEND IN YEAR	13,582,211	13,686,834	7,490,251	3,067,353	796,000	38,622,649
UNCOMMITTED CAPITAL RESOURCES:						
Capital Receipts Brought Forward	237,808	0	0	0	0	237,808
Resources in Year	7,334,909	3,149,572	3,022,728	1,400,000	500,000	15,407,208
Less Estimated Spend in Year	(13,582,211)	(13,686,834)	(7,490,251)	(3,067,353)	(796,000)	(38,622,649)
Less Committed Spend in Future Years					(102,000)	(102,000)
Borrowing Requirement	6,009,494	10,537,262	4,467,523	1,667,353	398,000	23,079,632
Uncommitted Capital Receipts	0	0	0	0	0	0

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RISK ASSESSMENT – VOLATILE BUDGETS

APPENDIX 5

SERVICE	BUDGET 2009/10 £	RISK AND IMPACT	MITIGATION
Net Interest	(300,000)	<p>Fund Managers could under perform. Other external factors could cause investment returns to be lower than anticipated. Due to global and national economic factors anticipated investment returns are considerably lower than previous years'. The budgeted rate of return for next year is only 3% and net interest is expected to be only £100,000 in 2010/11.</p> <p>Depositors could default on loan repayments as was the case with the Icelandic banks.</p>	<p>Current Fund Manager has a track record of being a leading market performer. Regular monitoring information is provided together with half-year meetings with the Fund Manager.</p> <p>Interest rates are likely to remain relatively low and stable in the medium term so there is unlikely to be a significant variation from the budgeted assumption.</p> <p>The Council has reviewed and updated its Annual Investment Strategy</p>
Commercial Properties	(2,471,300)	<p>Budgeted rental income for 2009/10 is £3,478,640. Actual rental income for 2008/09 was £3,412,346. As at September 2009 there were 3 long term and 5 short term void properties with a rental value amounting to 2.3% of the total rental value of the commercial portfolio. Debts outstanding at 90 days (on M001 to M006) at September 2009 are £200,834, representing 6.2% of the total invoiced in the previous 4 quarters. The upheavals in the commercial market during this period have meant a number of businesses have fallen victim to the recession. The Council's commercial tenants have very largely weathered the storm but it has meant that different payment arrangements have been put in place regarding debt handling.</p>	<p>The value of current voids and bad debt provisions are to be expected for a large and varied property base and are allowed for within the budgets. Vacant properties are marketed promptly. Bad debts are chased regularly and targets have been set for debt management. Monthly stewardship meetings are held with the Head of Service to discuss variances and reported to Scrutiny – Economy Committee quarterly. Medium Term Financial Planning has been updated in view of the current/predicted economic conditions.</p>

RISK ASSESSMENT – VOLATILE BUDGETS

APPENDIX 5

		<p>The small increase in the total number of voids compared with last year indicates that the economic climate could adversely affect rental income in 2010/11</p>	
<p>Travel Concessions</p>	<p>2,882,750</p>	<p>With effect from 1 April 2008, the Government introduced a new national bus concessionary travel scheme. The Government also provided additional special grant funding to local authorities to meet all the additional costs of this scheme. It is now very apparent that whilst the amount of special grant may in total be sufficient to meet the costs of the new concessionary travel scheme, there are a number of authorities in a similar position to us who are now facing large shortfalls of funding. The total deficit covering the first 3 years of the travel scheme could be approaching almost £4 million.</p>	<p>The Council has sought support from other similarly affected Councils as well as lobbying the Government in order to try and secure additional grant funding to meet the funding shortfall of the nationwide concessionary travel scheme. Resulting from this the Government has issued a consultation paper which sets out their proposals for the funding of concessionary travel in 2010/11. If the proposals are endorsed they will give the Council an additional £1.65 million of special grant.</p>
<p>Car Parks</p>	<p>(3,200,630)</p>	<p>Budgeted fee income for 2009/10 is £5,025,000. Actual fee income for 2008/09 was £4,721,230. Recovery of income in the financial year up to September 2009 is running below the budgeted profile. This is considered mainly due to the current economic climate, competition other car parks and the impact of free concessionary travel.</p> <p>The key factors affecting car park income in 2010/11 will be:</p> <ul style="list-style-type: none"> ▪ Continued competition from other car parks (Princeshay, Central Station, Summerland Gate, Paris Street) ▪ Competition from other towns ▪ Economic conditions 	<p>Monthly stewardship meetings are held with the Head of Administration and Parking Services and the Car Parks Manager to discuss variances and reported to Scrutiny – Economy Committee quarterly.</p>

		<ul style="list-style-type: none"> ▪ Impact of concessionary travel. 	
Archaeological Field Unit	Nil	<p>Although the unit is budgeted to break even, it made a loss of £390,000 in 2008/09 and it is currently forecast to make another loss of almost £300,000 in the current financial year.</p> <p>The Field Unit operates primarily as a self-financing organisation which undertakes projects and research for a wide range of public and private sector clients. Budgeted income for 2009/10 is £1,281,350. Income levels in 2009/10 are again forecast to fall below budget which is significantly influenced by falling demand in the construction industry.</p>	A restructuring of the unit to reduce headcount and costs was undertaken in spring 2009. Further proposals to reduce the operating costs of the unit were approved by members in September.
Homelessness	711,340	<p>Levels of homelessness in the city can be volatile given the many causes, some of which are outside the Council's control: relationship breakdowns, fires, evictions, and reposessions. Thus, if the number of homeless households were to increase in the city in the current year the effect on the budget would be significant.</p> <p>The gross budget for accommodating the homeless for 2009/10 is £2,271,560, whilst a 5% increase in this budget would cost an additional £113,578.</p>	The Service's main aim is to prevent homelessness, wherever possible. To comply with Government Targets, Service managers are aiming for a 25% reduction in homelessness acceptances between 1 January 2006 and 1 April 2010. Over the same period, a 50% reduction in the use of temporary accommodation (from 300 to 150) is also required. We are on course to meet these targets and with more effective management of the remaining stock, this will help to reduce costs further.
Cleansing services – operational excluding Trade Refuse	3,704,960	The budget for fuel in 2009/10 is over £268k, so any increase in fuel prices could have a large financial impact.	The price of fuel is outside the control of the service and there is little to be done in the short term. Long-term measures include choosing vehicles with good fuel efficiency, regular maintenance and regular reviews of the fuel suppliers.

RISK ASSESSMENT – VOLATILE BUDGETS

APPENDIX 5

		<p>In general, where operatives are off sick, agency cover is required to undertake their duties. The budget for 2009/10, based on an average of 11 days sickness per operative, is £69k. Higher levels of sickness can have a substantial impact on this service.</p>	<p>Sickness management has been a high priority for the service, and levels of sickness have reduced as a result to around 11 days sickness per operative. Maintenance of this management is the main tool in reducing the risks associated with sickness.</p>
<p>Recycling - operational</p>	<p>724,740</p>	<p>Income from the sale of recyclable materials in 2009/10 is estimated at £492k. Prices for the materials are currently stable after a period of extreme volatility. Materials which have little or no commercial value still earn recycling credits (which are estimated at approximately £376k in 2010/11) provided they are accepted by merchants, but if they have to be sent to landfill, this source of income could also reduce. The 2010/11 estimates are based on the best, realistic estimates of the recycling manager, a return to volatile market prices for recyclates could have a large financial impact.</p> <p>Any operational problems that could cause the MRF to cease operating can give rise to a substantial loss of income, as materials that cannot be sorted must either be sent to landfill or to another MRF, thus reducing the income generated by selling recovered materials.</p>	<p>The recycling manager's expertise is vital in assessing the likely impact of market forces on prices, but there is no action that can be taken to control the prices.</p> <p>The Plant at the Material Reclamation Facility (MRF) continues to be upgraded to ensure that the quality of the materials is kept as high as possible to ensure the best possible prices. The plant is maintained regularly. Agency staff are brought in to cover any casual vacancies, as well as operatives who are off on leave or sick. Keeping the MRF operational at all times is a high priority.</p>

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 25 NOVEMBER 2009

EXECUTIVE
8 DECEMBER 2009

CAPITAL MONITORING STATEMENT TO SEPTEMBER 2009

1.0 PURPOSE OF THE REPORT

- 1.1 In accordance with the Prudential Code for Capital Finance in Local Authorities, it is necessary to monitor performance against the prudential indicator for capital expenditure and highlight significant deviations from expectations. This report therefore sets out the current position in respect of the Council's annual capital programme and advises Members of the anticipated variations.
- 1.2 The report seeks Member approval to amend the annual capital programme, in order to reflect the reported variations.

2.0 BACKGROUND

- 2.1 Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.
- 2.2 Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.
- 2.3 In order to manage the risks associated with capital programming the annual capital programme is updated every six months, to reflect any cost variations, slippage or acceleration of projects.
- 2.4 It is considered timely for the capital programme to be amended mid-year to reflect the variations to individual projects, so that the impact of changes between financial years can be incorporated into the capital programme for 2010/11 and beyond and presented to Members as part of the annual budget process.

3.0 REVISIONS TO THE CAPITAL PROGRAMME

- 3.1 The 2009/10 Capital Programme, including commitments brought forward from 2008/09, was last reported to Scrutiny Committee - Resources on 16 September 2009. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/funding
Capital Programme, as at 16 September 2009	25,204,870	
Social Housing Grants	(22,080)	Transferred to revenue
National Cycle Network	124,250	Contribution from DCC
Revised Capital Programme	25,307,040	

4.0 MONITORING PERFORMANCE

- 4.1 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.
- 4.2 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.

5.0 PERFORMANCE

5.1 Projected Outturn

The capital programme for the current financial year is £25,307,040. It is projected that £1.4 million of the programme will need to be carried forward into future years. For details, please refer to Appendix 1 and to the explanations below.

- 5.2 Based upon the forecasts after six months, Appendix 2 sets out the desired changes to the capital programme for Executive to consider for approval.

5.3 Progress

During the first six months of the current financial year the Council spent £6,013,431 of the 2009/10 Capital Programme.

- 5.4 This equates to 23.8% of the revised Capital Programme being spent in the first six months of 2009/10, compared to £5.8 million (19.6%) being spent in the first six months of 2008/09.

5.5 The table below sets out how the Council is performing in terms of capital expenditure, compared to the same time last financial year, analysed by category:

Category	2009/10 Expenditure 2nd Quarter	2008/09 Expenditure 2nd Quarter	2009/10 Expenditure expressed as percentage of Capital Programme	2008/09 Expenditure expressed as percentage of Capital Programme
C1	3,040,533	2,643,890	22.9%	18.4%
C2	945,886	892,539	15.5%	10.4%
HRA	2,027,012	2,292,253	34.0%	33.9%
Total	6,013,431	5,828,682	23.8%	19.6%

6.0 VARIANCES AND ACHIEVEMENTS

6.1 The main variances and achievements are as follows:

6.1.1 Community & Environment

Cultural City

- **Play Area Refurbishments (Budget £356,530)**

Floodlight columns have been installed at the Multi Use Games Area at Pendragon Road and will be made operational during November 2009.

Play equipment at Summerway Park was installed in February 2009 and is proving a success. The remainder of the budget will fund additional equipment for children and teenagers.

A range of outdoor fitness equipment for teenagers and adults and an outdoor table tennis table (both unique for parks in Exeter) have been installed at Belmont Park.

The Countess Wear Multi Use Games Area initial public consultation phase has been completed, and a formal planning application has been submitted. It is anticipated that the facility will be installed in Spring 2010.

A Multi Use Games Area and an extensive range of play facilities have been provided at Kings Heath Park and this is now the best equipped play area in the city. It is planned to provide additional seating and planting at the site this financial year.

A Multi Use Games Area at Wyvern has been provided (Summer 2008) and work has begun on installation of the children's play area and landscaping. Work should be completed by Spring 2010.

- **Contribution to RAMM re HLF Parks Bid (Budget £176,800)**

This budget is for the landscaping at the rear of the museum building and cannot be undertaken until the contractor's compound has been removed; therefore it is proposed that the budget be deferred until 2010/11.

Cared for Environment

- **New Trade Waste Recycling Service Vehicle (Budget £33,360)**

In 2008/09 one vehicle was purchased to be used on the new recycling rounds collecting cardboard and plastics and it is proposed that the remainder of the budget be deferred to 2010/11 when the success of the current round can be determined and the decision whether to buy a second vehicle made.

- **General Open Space Improvements (£0 Budget)**

It was necessary to rebuild a pathway in Northernhay Gardens in advance of the Taste of the West festival in order to establish a route from the rear entrance of the park to allow access for emergency vehicles.

Everyone has a Home

- **Social Housing Grants (Budget £3,386,470)**

It is proposed to defer £775,520 of this budget to 2010/11 in line with scheduled expenditure.

6.1.2 Economy & Development

Accessible City

- **National Cycle Network (Budget £148,700)**

Work this year in relation to the National Cycle Network beside the Exe Estuary includes the viewing platform near Turf and a short length of cycleway to bypass the lock pit, also at Turf, it should be noted that Devon County Council pays half of these costs.

Prosperous City

- **Canal Basin and Quayside (Budget £966,100)**

Planning permission for the new road/car park/boat store has been granted, and tender returns are within budget with work expected to commence in November and complete in the Spring. The first phase of the optic fibre cable link to Exton Road has been completed, with the final phase to progress once the route has been finalised. Works of demolition to the old chandlery are underway. The Signpost development adjoining 60 Haven Road is due to complete in November. Terms are agreed, subject to contract, for a variation to the development agreement for the old electricity building to allow the recent planning permission for a play centre to be implemented. Devon County Council's application for the outdoor education centre has been approved.

- **Science Park (Budget £95,760)**

The Science Park is broadly on schedule despite slippage of a month in submission of the planning application. The aim is still for a start on site in 2010 with the first building occupied in 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.

6.1.3 **Housing Revenue Account**

Everyone Has a Home

Due to an overspend within the Housing Revenue Account reactive repair works and void property budgets it has been necessary to make savings on several capital schemes in order to reduce the Housing Revenue Account contribution to capital.

- **Upgrading Council Roads/Footpaths (Budget £15,540)**

The works were completed in 2008/09 so the budget is no longer required.

- **External Walls (Budget £12,000)**

The works were completed in 2008/09 so the budget is no longer required.

- **Asbestos Removal Works (Budget £50,000)**

It has been necessary to undertake extensive asbestos removal works and it is forecast that there will be an overspend in the region of £50,000 at the end of the financial year. Once asbestos has been identified as being in poor condition it must be removed to protect the health and safety of the occupiers of those properties and contractors.

- **Communal TV Aerials (Budget £5,000)**

The work to upgrade all the communal TV aerials to receive digital signal was completed in 2008/09 so the remaining budget is no longer required.

7.0 RECOMMENDED

7.1 It is recommended that the current position in respect of the annual capital programme be noted.

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

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2009-10
CAPITAL MONITORING TO 30 SEPTEMBER 2009

	Lead Officer	Category	2009/10 Capital Programme	2009/10 Spend	2009/10 Forecast Spend	2009/10 Budget to be Carried Forward to 2010/11	2009/10 Programme Variances Under 0	£
COMMUNITY & ENVIRONMENT								
ACCESSIBLE CITY								
Riverside Valley Park Enhancement	PM	C2	29,120	10,569	29,120			0
STRONG COMMUNITIES CITY								
Develop Matthews Hall Topsham	AC	C2	15,000	15,000				0
CULTURAL CITY								
Old Paper Mill Countess Weir	AC	C2	25,130	0	25,130			0
Playing Fields General Improvements	PM	C2	10,140	2,384	10,140			0
Bromhams Farm Changing Rooms	PM	C2	51,510	26,678	51,510			0
Play Area Refurbishments	AC	C2	356,530	138,122	280,230	76,300		0
Sports Facilities Refurbishment	AC	C1	104,870	14,734	39,870	65,000		0
Parks Improvements	PM	C2	15,930	5,549	15,930			0
Roof Improvements to Topsham Museum	AC	C1	45,000	0	45,000			0
Leisure Management Contract	AC	C2	64,750	600	54,750	10,000		0
Pyramids Filters/New Swimming Pool	AC	C2	109,830	76,624	77,830	32,000		0
Exwick Community Centre	AC	C2	46,260	0	21,260	25,000		0
Contribution to RAMM re HLF Parks Bid	PM	C1	176,800	0	0	176,800		0
RAMM Re-development	AC	C1	8,797,860	1,798,049	8,797,860			0
RAMM Off Site Store	AC	C1	10,280	0	10,280			0
CARED FOR ENVIRONMENT								
Essential MRF Capacity Works	RN	C1	10,520	0	0			(10,520)
Home Recycling Scheme	RN	C1	70,000	7	70,000			0
Public Toilet Refurbishment	PM	C1	11,640	0	11,640			0
Replace Wash Down at MRF and Drainage Alterations	RN	C1	30,000	0	10,000			(20,000)
Local Authority Carbon Management Programme	PM	C2	101,260	0	101,260			0
Improvements to Cemetery Roads & Pathways	PM	C1	10,150	181	10,150			0
New Trade Waste Recycling Service Vehicle	RN	C1	33,360	0	0	33,360		0
Cemeteries & Churches Storage Improvements	PM	C2	50,000	0	10,000	40,000		0
Midi Recycling Banks	RN	C1	15,000	390	15,000			0
Upgrade of Turf Sewage Treatment Plant	AC	C2	10,000	0	10,000			0
General Open Space Improvements	PM	C1	0	13,839	13,839			13,839

2009-10
CAPITAL MONITORING TO 30 SEPTEMBER 2009

	Lead Officer	Category	2009/10 Capital Programme	2009/10 Spend	2009/10 Forecast Spend	2009/10 Budget to be Carried Forward to 2010/11	2009/10 Programme Variances Under 0	£
EXCELLENCE IN PUBLIC SERVICES								
Vehicle Replacement Programme	PM	C1	574,000	397,446	397,446	125,500	(51,054)	£
Provision of Garden of Remembrance	PM	C1	18,480	2,524	18,480		0	£
Exwick Cemetery New Burial Area	PM	C1	7,000	7,035	7,040		40	£
Higher Cemetery New Storage Yard & Buildings	PM	C2	2,390	0	2,390		0	£
Oakwood House	PM	C1	61,530	0	0	61,530	0	£
Belle Isle Nursery - Various Improvements	PM	C2	47,230	926	47,230		0	£
Replacement of 'Tractor Sheds'	PM	C1	14,670	3,995	14,670		0	£
HEALTHY & ACTIVE PEOPLE								
Disabled Facility Grants	RN	C1	473,920	177,103	473,920		0	£
EVERYONE HAS A HOME								
Warm Up Exeter	RN	C2	150,000	137,024	150,000		0	£
PLEA Scheme	RN	C2	88,580	0	88,580		0	£
Wessex Loan Scheme	RN	C1	287,460	0	287,460		0	£
Social Housing Grants	SW	C2	3,196,390	361,000	2,420,870	775,520	0	£
Private Sector Renewal Scheme	RN	C2	105,900	64,418	105,900		0	£
Development of General Fund Housing Land	SW	C2	1,850	0	1,850		0	£
Shakespeare Road Site	SW	C2	68,050	0	68,050		0	£
PSL Improvement Programme	SW	C2	200,000	31,327	200,000		0	£
Renovation Grants	RN	C1	555,250	31,894	555,250		0	£
SAFE CITY								
CCTV Consultancy in Respect of Enhancements	RN	C1	18,250	6,000	18,250		0	£
COMMUNITY & ENVIRONMENT TOTAL			16,071,890	3,323,421	14,583,185	1,421,010	(67,695)	£

2009-10
CAPITAL MONITORING TO 30 SEPTEMBER 2009

	Lead Officer	Category	2009/10 Capital Programme	2009/10 Spend	2009/10 Forecast Spend	2009/10 Budget to be Carried Forward to 2010/11	2009/10 Programme Variances Under	£
ECONOMY & DEVELOPMENT								
ACCESSIBLE CITY								
National Cycle Network	DH	C1	148,700	188,003	148,700			0
Signage / Pedestrian Interpretation	RS	C2	53,710	37,970	53,710			0
Implementation of Council Walking Strategy	DH	C2	14,890	5,965	14,890			0
Refurbish Broadwalk House Car Park	RC	C2	100,000	4,146	100,000			0
CULTURAL CITY								
18 North Street Panelling	RS	C1	17,530	17,733	17,530			0
Corn Exchange Enhancements	DP	C1	143,490	5,725	143,490			0
Floodlighting	RS	C2	1,340	222	1,340			0
CARED FOR ENVIRONMENT								
Heavitree - Environmental Enhancement	RS	C2	7,250	2,226	7,250			0
City Centre Enhancements	JR	C2	160,110	350	160,110			0
Custom House	DP	C1	5,000	1,539	5,000			0
Conservation Area Enhancements	RS	C2	10,460	3,000	10,460			0
lbstock Environmental Improvements	DP	C2	4,450	0	4,450			0
Planting Improvements in Riverside Valley Park	RS	C2	14,250	0	14,250			0
LEARNING CITY								
Improvements to Quay House Visitor Centre	RB	C1	53,000	0	53,000			0
PROSPEROUS CITY								
Basin / Quayside Redevelopment	DP	C2	966,100	148,518	966,100			0
Science Park	RB	C2	95,760	26,970	95,760			0
SAFE CITY								
CCTV at Haven Road Car Park & Boat Storage	RC	C2	60,000	0	60,000			0
Security Measures for Riverside Valley Park	DH	C2	3,250	0	3,250			0
			1,859,290	442,368	1,859,290	0	0	0

2009-10
CAPITAL MONITORING TO 30 SEPTEMBER 2009

	Lead Officer	Category	2009/10 Capital Programme	2009/10 Spend	2009/10 Forecast Spend	2009/10 Budget to be Carried Forward to 2010/11	2009/10 Programme Variances Under 0	£
CORPORATE SERVICES								
ACCESSIBLE CITY								
Equal Opportunities Improvements	PM	C1	27,280	0	27,280			0
ELECTRONIC CITY								
IT Capital Programme	PE	C1	641,510	159,536	637,010		(4,500)	0
IT Capital Programme	PE	C2	101,520	781	101,520			0
EXCELLENCE IN PUBLIC SERVICES								
Replace Control Panels in Civic Centre Lifts	JS	C1	59,200	60,314	60,314		1,114	0
Civic Centre Communal Area Refurbishment	JS	C1	159,070	0	159,070			0
Civic Centre Update Committee Room Audio Visual Equipment	JS	C1	50,000	0	50,000			0
Capitalised Staff Costs	AS	C1	370,000	0	370,000			0
CORPORATE SERVICES TOTAL			1,408,580	220,631	1,405,194	0	(3,386)	0

2009-10
CAPITAL MONITORING TO 30 SEPTEMBER 2009

	Lead Officer	Category	2009/10 Capital Programme	2009/10 Spend	2009/10 Forecast Spend	2009/10 Budget to be Carried Forward to 2010/11	2009/10 Programme Variances Under 0	£
HRA CAPITAL								
EVERYONE HAS A HOME								
	SW	Sheltered Accommodation	656,000	89,072	606,000		(50,000)	£
	SW	Adaptations	400,000	308,777	400,000		0	£
	SW	Defective Properties - British Steel	337,120	77,825	337,120		0	£
	SW	Rendering Works - Flats	407,520	177,332	407,520		0	£
	SW	UPVC Gutters, Downpipes and Fascia Boards	100,000	65,005	100,000		0	£
	SW	MRA Fees	362,200	0	362,200		0	£
	SW	Environmental Improvements - Fencing	11,370	9,826	11,370		0	£
	SW	Communal Door Entry System	15,840	1,937	15,840		0	£
	SW	Environmental Improvements - General	133,040	8,583	98,580		(34,460)	£
	SW	Upgrading Council Roads / Footpaths	15,540	0	0		(15,540)	£
	SW	Programmed Re-roofing	250,000	16,678	250,000		0	£
	SW	Rennes / Faraday House Fire Alarm Upgrade	16,690	14,593	14,593		(2,097)	£
	SW	Housing Condition Survey	35,000	27,390	35,000		0	£
	SW	Energy Conservation	216,780	163,623	216,780		0	£
	SW	Asbestos Survey	200,000	42,309	150,000		(50,000)	£
	SW	Council House Extensions	133,030	25,811	133,030		0	£
	SW	External Walls	12,000	0	0		(12,000)	£
	SW	Kitchen Replacements	900,000	346,015	900,000		0	£
	SW	Asbestos Removal Works	50,000	63,128	100,000		50,000	£
	SW	Bathroom Replacements - Programmed	401,340	152,438	401,340		0	£
	SW	Construct Hard Standings / Parking Spaces	20,000	0	20,000		0	£
	SW	Communal TV Aerials	5,000	0	0		(5,000)	£
	SW	3 Bed Conversions to 4 Bed Dwellings	38,550	29,400	38,550		0	£
	SW	Development of HRA Land	36,320	0	36,320		0	£
	SW	Weirfield House Refurbishment	64,000	44,320	64,000		0	£
	SW	Programmed Electrical Re-wiring	460,260	67,165	410,260		(50,000)	£
	SW	Electrical Voids	144,000	98,749	144,000		0	£
	SW	Central Heating Programme	377,680	173,855	377,680		0	£
COUNCIL HOUSEBUILDING PROGRAMME								
	SW	Merlin Crescent	144,000	15,964	144,000		0	£
	SW	Sivell Place	24,000	7,217	24,000		0	£
HOUSING REVENUE ACCOUNT TOTAL			5,967,280	2,027,012	5,798,183	0	(169,097)	£
CAPITAL AND PROJECT EXPENDITURE TOTAL			25,307,040	6,013,431	23,645,852	1,421,010	(240,178)	£

2009-10
CAPITAL MONITORING TO 30 SEPTEMBER 2009

Lead Officer	Category	2009/10 Capital Programme	2009/10 Spend	2009/10 Forecast Spend	2009/10 Budget to be Carried Forward to 2010/11	2009/10 Programme Variances Under 0
		£	£	£	£	£
HRA Capital Schemes	N/A	5,967,280	2,027,012	5,798,183	0	(169,097)
Reasonably certain of being able to deliver within planned timescales	C1	13,252,060	3,040,533	12,718,789	462,190	(71,081)
Less certain of being able to deliver primarily due to factors outside the control of the Council	C2	6,087,700	945,886	5,128,880	958,820	0
CAPITAL AND PROJECT EXPENDITURE TOTAL		25,307,040	6,013,431	23,645,852	1,421,010	(240,178)

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

**2009-10
REVISED CAPITAL PROGRAMME**

	£	£	£	£	£	£	£
	2009/10 Capital Programme	Future Years Budget Spent in Advance	Budget Deferred to Future Years	Additional Budget Requirement	Saving Reported	2009/10 Revised Capital Programme	£
COMMUNITY & ENVIRONMENT							
ACCESSIBLE CITY							
Riverside Valley Park Enhancement	29,120					29,120	
STRONG COMMUNITIES CITY							
Develop Matthews Hall Topsham	15,000					15,000	
CULTURAL CITY							
Old Paper Mill Countess Weir	25,130					25,130	
Playing Fields General Improvements	10,140					10,140	
Bromhams Farm Changing Rooms	51,510					51,510	
Play Area Refurbishments	356,530		(76,300)			280,230	
Sports Facilities Refurbishment	104,870		(65,000)			39,870	
Parks Improvements	15,930					15,930	
Roof Improvements to Topsham Museum	45,000					45,000	
Leisure Management Contract	64,750		(10,000)			54,750	
Pyramids Filters/New Swimming Pool	109,830		(32,000)			77,830	
Exwick Community Centre	46,260		(25,000)			21,260	
Contribution to RAMM re HLF Parks Bid	176,800		(176,800)			0	
RAMM Re-development	8,797,860					8,797,860	
RAMM Off Site Store	10,280					10,280	
CARED FOR ENVIRONMENT							
Essential MRF Capacity Works	10,520				(10,520)	0	
Home Recycling Scheme	70,000					70,000	
Public Toilet Refurbishment	11,640					11,640	
Replace Wash Down at MRF and Drainage Alterations	30,000				(20,000)	10,000	
Local Authority Carbon Management Programme	101,260					101,260	
Improvements to Cemetery Roads & Pathways	10,150					10,150	
New Trade Waste Recycling Service Vehicle	33,360		(33,360)			0	
Cemeteries & Churches Storage Improvements	50,000		(40,000)			10,000	
Midi Recycling Banks	15,000					15,000	
Upgrade of Turf Sewage Treatment Plant	10,000					10,000	
General Open Space Improvements	0			13,839		13,839	

2009-10
REVISED CAPITAL PROGRAMME

	2009/10 Capital Programme	Future Years Budget Spent in Advance	Budget Deferred to Future Years	Additional Budget Requirement	Saving Reported	2009/10 Revised Capital Programme
	£	£	£	£	£	£
EXCELLENCE IN PUBLIC SERVICES						
Vehicle Replacement Programme	574,000		(125,500)		(51,054)	397,446
Provision of Garden of Remembrance	18,480					18,480
Exwick Cemetery New Burial Area	7,000			40		7,040
Higher Cemetery New Storage Yard & Buildings	2,390					2,390
Oakwood House	61,530		(61,530)			0
Belle Isle Nursery - Various Improvements	47,230					47,230
Replacement of 'Tractor Sheds'	14,670					14,670
HEALTHY & ACTIVE PEOPLE						
Disabled Facility Grants	473,920					473,920
EVERYONE HAS A HOME						
Warm Up Exeter	150,000					150,000
PLEA Scheme	88,580					88,580
Wessex Loan Scheme	287,460					287,460
Social Housing Grants	3,196,390		(775,520)			2,420,870
Private Sector Renewal Scheme	105,900					105,900
Development of General Fund Housing Land	1,850					1,850
Shakespeare Road Site	68,050					68,050
PSL Improvement Programme	200,000					200,000
Renovation Grants	555,250					555,250
SAFE CITY						
CCTV Consultancy in Respect of Enhancements	18,250					18,250
COMMUNITY & ENVIRONMENT TOTAL	16,071,890	0	(1,421,010)	13,879	(81,574)	14,583,185

**2009-10
REVISED CAPITAL PROGRAMME**

	2009/10 Capital Programme	Future Years Budget Spent in Advance	Budget Deferred to Future Years	Additional Budget Requirement	Saving Reported	2009/10 Revised Capital Programme
	£	£	£	£	£	£
ECONOMY & DEVELOPMENT						
ACCESSIBLE CITY						
National Cycle Network	148,700					148,700
Signage / Pedestrian Interpretation	53,710					53,710
Implementation of Council Walking Strategy	14,890					14,890
Refurbish Broadwalk House Car Park	100,000					100,000
CULTURAL CITY						
18 North Street Panelling	17,530					17,530
Corn Exchange Enhancements	143,490					143,490
Floodlighting	1,340					1,340
CARED FOR ENVIRONMENT						
Heavitree - Environmental Enhancement	7,250					7,250
City Centre Enhancements	160,110					160,110
Custom House	5,000					5,000
Conservation Area Enhancements	10,460					10,460
Ibstock Environmental Improvements	4,450					4,450
Planting Improvements in Riverside Valley Park	14,250					14,250
LEARNING CITY						
Improvements to Quay House Visitor Centre	53,000					53,000
PROSPEROUS CITY						
Basin / Quayside Redevelopment	966,100					966,100
Science Park	95,760					95,760
SAFE CITY						
CCTV at Haven Road Car Park & Boat Storage	60,000					60,000
Security Measures for Riverside Valley Park	3,250					3,250
ECONOMY & DEVELOPMENT	1,859,290	0	0	0	0	1,859,290

2009-10
REVISED CAPITAL PROGRAMME

	2009/10 Capital Programme	Future Years Budget Spent in Advance	Budget Deferred to Future Years	Additional Budget Requirement	Saving Reported	2009/10 Revised Capital Programme
	£	£	£	£	£	£
CORPORATE SERVICES						
ACCESSIBLE CITY						
Equal Opportunities Improvements	27,280					27,280
ELECTRONIC CITY						
IT Capital Programme	641,510				(4,500)	637,010
IT Capital Programme	101,520					101,520
EXCELLENCE IN PUBLIC SERVICES						
Replace Control Panels in Civic Centre Lifts	59,200			1,114		60,314
Civic Centre Communal Area Refurbishment	159,070					159,070
Civic Centre Update Committee Room Audio Visual Equipment	50,000					50,000
Capitalised Staff Costs	370,000					370,000
CORPORATE SERVICES TOTAL	1,408,580		0	1,114	(4,500)	1,405,194

**2009-10
REVISED CAPITAL PROGRAMME**

	2009/10 Capital Programme	Future Years Budget Spent in Advance	Budget Deferred to Future Years	Additional Budget Requirement	Saving Reported	2009/10 Revised Capital Programme
	£	£	£	£	£	£
HRA CAPITAL						
EVERYONE HAS A HOME						
Sheltered Accommodation	656,000				(50,000)	606,000
Adaptations	400,000					400,000
Defective Properties - British Steel	337,120					337,120
Rendering Works - Flats	407,520					407,520
UPVC Gutters, Downpipes and Fascia Boards	100,000					100,000
MRA Fees	362,200					362,200
Environmental Improvements - Fencing	11,370					11,370
Communal Door Entry System	15,840					15,840
Environmental Improvements - General	133,040				(34,460)	98,580
Upgrading Council Roads / Footpaths	15,540				(15,540)	0
Programmed Re-roofing	250,000					250,000
Rennes / Faraday House Fire Alarm Upgrade	16,690				(2,097)	14,593
Housing Condition Survey	35,000					35,000
Energy Conservation	216,780					216,780
Asbestos Survey	200,000				(50,000)	150,000
Council House Extensions	133,030					133,030
External Walls	12,000				(12,000)	0
Kitchen Replacements	900,000					900,000
Asbestos Removal Works	50,000			50,000		100,000
Bathroom Replacements - Programmed	401,340					401,340
Construct Hard Standings / Parking Spaces	20,000					20,000
Communal TV Aerials	5,000				(5,000)	0
3 Bed Conversions to 4 Bed Dwellings	38,550					38,550
Development of HRA Land	36,320					36,320
Weirfield House Refurbishment	64,000					64,000
Programmed Electrical Re-wiring	460,260				(50,000)	410,260
Electrical Voids	144,000					144,000
Central Heating Programme	377,680					377,680
COUNCIL HOUSEBUILDING PROGRAMME						
Merlin Crescent	144,000					144,000
Sivell Place	24,000					24,000
HOUSING REVENUE ACCOUNT TOTAL	5,967,280	0	0	50,000	(219,097)	5,798,183

APPENDIX 2

2009-10
REVISED CAPITAL PROGRAMME

2009/10 Capital Programme	Future Years Budget Spent in Advance	Budget Deferred to Future Years	Additional Budget Requirement	Saving Reported	2009/10 Revised Capital Programme
£	£	£	£	£	£
CAPITAL AND PROJECT EXPENDITURE TOTAL	25,307,040	0	(1,421,010)	64,993	(305,171)
					23,645,852

Agenda Item 5

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 25 NOVEMBER 2009

EXECUTIVE
8 DECEMBER 2009

OVERVIEW OF GENERAL FUND REVENUE BUDGET 2009/10

1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall projected financial position of the General Fund Revenue Budget after six months, for the 2009/10 financial year.

2. REVENUE POSITION – EXECUTIVE SUMMARY

FUND	Latest Approved Budget	Stewardship Variance June 2009	Outturn Forecast 2009/10
	£	£	£
General Fund	19,912,850	(389,550)	19,523,300
HRA*	(682,100)	(2,120)	(684,220)
* Net deficit			

GENERAL FUND – Appendix A

- 2.1 The Service Committee budgets shows a forecast under spend of £367,040 (1.85%) against a revised Service Committee Net Expenditure budget of £19,812,850 and an overall under spend of £389,550 against the General Fund Expenditure including investment interest, Business Growth Incentive Grant and the provision for redundancy.
- 2.2 The pay settlement for 2009/10 has now been agreed at 1% for the majority of staff. The budgets for 2009/10 included a provision of 1.5% for the pay award and there is therefore a saving on pay budgets. This saving has been reflected within the individual Scrutiny Committees.
- 2.3 Details of the variances are being disclosed in stewardship reports to individual Scrutiny Committees during the current cycle of meetings. However the main variances are as follows:
- 2.3.1 **Scrutiny Committee Community – (An over spend of £46,410)**

In Museum Services expenditure there is additional expenditure on business rates for the library facility. Utility and premises maintenance costs for the RAMM are also greater than estimated. This has been partly offset by savings from vacant posts. The net overspend is estimated at £18,300.

Environmental Protection Services have an increase in cost in respect of the service for the Home Call Alarm equipment and a reduction in grant income from the Department of Health. The current overspend is anticipated to be £42,660.

There is estimated additional expenditure in respect of the use of Private Sector Leasing, bed and breakfast accommodation and Serviced Temporary accommodation. This is due mainly to an increase in PSL void properties prior to hand back and an increase in the cost of bed and breakfast over the first quarter together with an increase in the number of rooms available under Serviced Accommodation. The forecast overspend is £117,950.

These overspends have been partly offset by additional income from Licensing activities (£36,910) and net income from Recycling (£38,240); savings from a vacant post and a reduction in agency staff in Grounds Maintenance (£57,330) and some savings in other minor costs.

2.3.2 Scrutiny Committee Economy – (An over spend of £412,930)

There is a reduction in Car Park income, Building Control and Planning fees due to the general downturn in the economy resulting in a predicted shortfall of £272,450.

The overall income levels for the Archaeological Field Unit are projected to be down for the year. This is due to the increasingly competitive nature of the service market. Costs in respect of redundancy have also been incurred. The total overspend is forecast to be £296,660.

This has been offset by additional income from the Markets and Halls (£77,110), and additional rental income from Commercial properties (£58,900) mainly as a result of lease renewals.

2.3.3 Scrutiny Committee Resources – (An under spend of £826,380)

As a result of the Boundary Commission decision to further delay the recommendations in respect of the Local Government Review (LGR) pending the Court of Appeal decision, the £1 million of funding allocated for the implementation of LGR including mobile working has yet to be committed. This is estimated have a significant impact upon the revenue budget (under spend of £700,000) in 2009/10.

It is estimated at the end of the second quarter that there will be a net increase in Housing Benefits subsidy. The total is £115,810 which is 0.3% of the total Housing Benefits Subsidy (£38,248,990).

There has also been additional income in respect of revised rental at a shop attached to the Guildhall civic building and some savings from staff vacancies and maternity leave in Chief Executive Services (£41,120). This has been partly offset by redundancy costs and small variations in other service units.

3. OTHER FINANCIAL VARIATIONS

3.1 There is a net transfer from Earmarked Reserves of £807,860 including £80,200 from the Local Development Framework reserve, £200,520 from the Planning Delivery Grant reserve, £140,000 from the Leisure Contract reserve and £352,830 from the Repairs Fund in respect of AIM works carried forward from 2008/09 to be undertaken in 2009/10, £21,420 from Building Control reserve, £18,950 from Empty Homes reserve, £5,190 from the Housing Market Assessment reserve, £5,000 from Travelsmart reserve and £6,250 contribution to the Licensing reserve.

3.2 There is a reduction of £43,990 in respect of the Business Growth Incentive Grant as a result of the Government's redistribution of grant monies.

- 3.3 A provision of £500,000 was made for redundancy and currently £165,991 has been incurred under Service Committee Net Expenditure.
- 3.4 The overall net transfer from the General Fund Working Balance is estimated to be £2,188,064 at 31 March 2010 after accounting for July approved supplementary budgets of £456,220.

4. HOUSING REVENUE ACCOUNT (HRA)

During this period the total of the variances indicate that there will be a net deficit of £684,220 which will be transferred to the working balance at 31 March 2010. £682,100 was a planned reduction in the working balance to support Revenue Contributions to Capital expenditure (RCC) and £2,120 is the estimated additional deficit identified at the end of the first quarter stewardship. It is estimated that the working balance will stand at £2,174,045 at 31 March 2010.

Details of the variances are being disclosed in stewardship reports to Scrutiny Committee Community during the current cycle of meetings.

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.

This does not include housing rent, council tax or business rate debt.

- 5.2 Additional information has been requested for these reports to demonstrate the outstanding invoices by different service. Unfortunately, it is not possible to recreate the reports and they have therefore been run for October 2009, rather than September 2009. The main effect of this is to significantly reduce the amount of current outstanding debt as most of the periodic (quarterly invoices) have now been paid.

- 5.3 Outstanding debt at 30 September 2008 stood at £3.468m, at 31 December 2008 it was £3.959m and at 31 March 2009 it was £4.061m. By October 2009 it was £3.001m. An aged debt analysis is shown below, which demonstrates that of the £3.001m debt, £0.7m is less than 30 days old. Debt over 30 days old has decreased over the ten months from £2.691m to £2.229m.

Age of Debt	October 2009	March 2009	December 2008
Up to 29 days (current)	708,672	1,724,055	£1,267,743
30 days – 1 Year	1,153,907	1,309,735	£1,600,756
1 – 2 years	383,548	304,504	£329,621
2 – 3 years	198,437	158,055	£221,535
3 – 4 years	158,512	220,090	£171,663
4 – 5 years	117,213	117,505	£121,193
5 + years	280,826	227,459	£246,581
Total	£3,001,115	£4,061,403	£3,959,091

5.4 Of the outstanding debt, the table below sets out the main services and debts owing:

Service	Outstanding debt – October 2009 £
▪ Commercial rent	£406,652
▪ Trade waste	£60,071
▪ Service charge and ground rent for leasehold flat owners	£48,375
▪ Home call alarms	£4,404
▪ Housing benefit overpayments*	£1,023,612
▪ Engineering	£92,522
▪ AFU	£314,172
▪ Economy & Tourism	£104,109
▪ HRA	£113,866
▪ General Fund Housing	£102,299
▪ River & Canal	£56,114

* These overpayments occur largely due to claimants' change of circumstances which leads to a lower benefit entitlement once a reassessment is made. This figure represents about 2.9% of the total annual benefits paid.

6. CREDITOR PAYMENTS PERFORMANCE

The creditors' payments in respect of the Statutory Performance Indicator BVPI8 shows that the percentage paid within 30 days was 96.2% for the first half of 2009/10 compared with 81.49% for the first half of 2008/09. Work with the software supplier, together with staff development on the new operating system has improved the overall performance. Work is continuing to increase performance further.

7. TREASURY MANAGEMENT UPDATE

7.1 Iceland investments – There has been a little additional news in respect of the £5m invested in two Icelandic banks. The solicitors working for the LGA have prepared claims for local authorities to be submitted to the Banks. Additional advice has meant that both claims are for the full amount invested, all interest due up until maturity and penalty interest due up to 22 April 2009 (at around 22% - the current penalty rate in Iceland), which has substantially increased both claims. However, as a result, Landsbanki have revised down the amount they anticipate that Councils will receive to 83p in the pound. The advice regarding Glitnir remains that, if confirmed as preferential creditors, Councils will receive 100%.

7.2

The table below compares the Council's investment and borrowing levels at 31 March 2009 and 30 September 2009.

Date	Investments £m	Borrowing £m
31 March 2009	26.091	18.000
30 September 2009	25.552	16.000
Reduction since 31 March 09	(0.539)	(2.000)

Detailed Treasury Management reports will be presented to Scrutiny Committee – Resources and the Executive Committee on a half yearly basis in November and June each year.

8. CONCLUSION

- 8.1 The forecast decrease in Service Committee net expenditure for 2009/10 totals £367,040 including the supplementary budgets of £456,220. This together with transfers from Earmarked Reserves and the reduction of £43,990 from the Business Growth Incentive Grant will result in a transfer of £2,188,064 from the Working Balance.
- 8.2 The forecast General Fund Working Balance at 31 March 2010 is £3,395,049 and equates to 20.5% of the General Fund net expenditure.
- 8.3 It is estimated that the HRA working balance will stand at £2,174,045 at 31 March 2010.
- 8.4 The current advice in respect of the Icelandic investments suggests that the Council should eventually recover all of the Glitnir money and most of the Landsbanki money.
- 8.5 The creditor's payment performance has improved significantly and is currently 96.2%.

9. RECOMMENDATION

It is recommended that:

- The General Fund forecast financial position for the 2009/10 financial year is noted.
- The HRA forecast financial position for 2009/10 financial year is noted.
- The outstanding Sundry Debt position as at October 2009 is noted.
- The recovery position of Icelandic investment is noted.
- The Statutory Performance Indicator BVPI8 for creditor's payments is 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

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EXETER CITY COUNCIL
2009-2010 REVENUE ESTIMATES - SUMMARY
as at 30th September 2009

APPENDIX A

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
SCRUTINY - COMMUNITY	16,716,480	238,120	16,954,600	17,001,010	46,410
SCRUTINY - ECONOMY	1,121,770	125,930	1,247,700	1,660,630	412,930
SCRUTINY - RESOURCES	5,813,350	92,170	5,905,520	5,079,140	(826,380)
less Notional capital charges	(3,174,750)		(3,174,750)	(3,174,750)	0
Deferred Charges	(2,392,750)		(2,392,750)	(2,392,750)	0
FRS17 Pension Adjustment	1,272,530		1,272,530	1,272,530	0
<u>Service Committee Net Expenditure</u>	19,356,630	456,220	19,812,850	19,445,810	(367,040)
Net Interest	(300,000)		(300,000)	(200,500)	99,500
Business Growth Incentive Grant	(100,000)		(100,000)	(56,010)	43,990
Provision for redundancy	500,000		500,000	334,000	(166,000)
<u>General Fund Expenditure</u>	19,456,630	456,220	19,912,850	19,523,300	(389,550)
Transfer To/From(-) Working Balance	(1,997,254)	(456,220)	(2,453,474)	(2,188,064)	265,410
Transfer To/From(-) Earmarked Reserves	(932,000)		(932,000)	(807,860)	124,140
AIM Carried Forward	0		0	0	0
<u>General Fund Net Expenditure</u>	16,527,376	0	16,527,376	16,527,376	0
Formula Grant	(11,892,916)		(11,892,916)	(11,892,916)	0
<u>Council Tax Net Expenditure</u>	4,634,460	0	4,634,460	4,634,460	0

March 10

£ 3,395,049

£ 5,583,113

March09

Working Balance

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 25 NOVEMBER 2009

EXECUTIVE
8 DECEMBER 2009

ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION

1. PURPOSE OF REPORT

- 1.1 To approve the Annual Statement of Minimum Revenue Provision for the Council.

2. BACKGROUND

- 2.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008. The Regulations require Full Council to approve an Annual Statement of Minimum Revenue Provision which is the amount set aside from revenue for the repayment of debt principal relating to the General Fund only. The Housing Revenue Account remains exempt from making Minimum Revenue Provision although it can make voluntary set asides if it wishes. The Regulations require a retrospective approval for 2007/08 and 2008/09 and approval for 2009/10. For the 2010/11 financial year Full Council will be asked to approve the Annual Statement as part of the Annual Investment Strategy.
- 2.2 The Council did not make a Statement as it was debt-free last year and did not believe that it was necessary, however it has since been clarified that all Authorities are required to make a Statement regardless of whether they have debt.

3. MINIMUM REVENUE PROVISION

- 3.1 The Regulations require that "a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".
- 3.2 Minimum Revenue Provision (MRP) is an amount set aside from revenue to meet the repayment of debt principal. Under the old Regulations this was 4% of principal outstanding for the General Fund and no requirement to set aside MRP in the Housing Revenue Account. In local government accounting depreciation is charged and then reversed out so it does not affect the level of Council Tax, however MRP is charged to the General Fund and therefore does affect levels of Council Tax.
- 3.3 The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant."

3.4 The guidance notes detail five options which the Secretary of State considers prudent. These are described in section 4 below:

- (a) Regulatory Method;
- (b) Capital Financing Requirement Method;
- (c) Asset Life (Equal Instalment) Method;
- (d) Asset Life (Annuity) Method; and
- (e) Depreciation Method

4. MRP OPTIONS

4.1 Regulatory Method

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations as if they had not been revoked. In effect this is 4% of the debt principal outstanding.

4.2 Capital Financing Requirement Method

MRP is equal to 4% of the non-housing Capital Financing Requirement, which is a Prudential Indicator.

4.3 Asset Life (Equal Instalment) Method

Where capital expenditure on an asset is financed wholly or partly by borrowing then MRP is determined by reference to the life of the asset and an equal amount charged in each year.

4.4 Asset Life (Annuity) Method

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing.

4.5 Depreciation Method

MRP is equal to the provision required in accordance with depreciation accounting in respect of the asset, including any amount of impairment chargeable to the Income and Expenditure Account. As standard depreciation rules are used where an asset is part financed by loan, e.g. 50% loan, 50% Capital Receipt, then the full 100% depreciation charge on the asset is required to be charged as MRP. MRP is required to be charged annually until the cumulative amount of the provision is equal to the original expenditure financed by borrowing. Should the asset be disposed of then the charge needs to continue as if the asset had not been disposed of unless the debt is repaid.

5. 2007/08 MRP

6.1 In respect of 2007/08, prior to the introduction of the regulations. The Council will use the regulatory method, which was in force at that time, namely 4% of the qualifying Capital Financing Requirement. The charge for the year was zero.

6. 2008/09 and 2009/10 MRP

- 6.1 In respect of 2008/09 and 2009/10, the Council will match borrowing against specific capital investment and adopt the Asset Life (Equal Instalment) Method for MRP. In this way the funding for the asset will be paid off over the useful life of that asset. This will ensure that loans are repaid over the asset life thus freeing financial resources for investment in other schemes or in asset renewal. It is also simple to operate and gives certainty in each year as to the level of charge for principal. The other advantage is that it makes business cases and scheme appraisals easier to compile. As a general rule the Council will seek to borrow over the same period of the asset life up to a maximum of 50 years in line with the Regulations. The charge for 2008/09 remains zero. There was borrowing of £2.177m during 2008/09, which will be allocated to improvements to longer dated assets. It would be appropriate therefore to write down over 25 years and the charge for 2009/10 will be £87,000.

7. RECOMMENDATION

- 7.1 That the Annual Statement of Minimum Revenue Provision for the Council be approved.

HEAD OF TREASURY 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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Agenda Item 7

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 25 NOVEMBER 2009

EXECUTIVE
8 DECEMBER 2009

TREASURY MANAGEMENT – 2009/10

1. PURPOSE OF REPORT

- 1.1 To report on the current performance for the 2009/10 financial year and the position regarding investments and borrowings at 30 September 2009.

2. NET INTEREST POSITION

- 2.1 The General Fund shows an estimated net reduction in interest receivable compared to the budget, the position is:

	Estimate	Sept 09	Estimated Outturn	Variation
	£		£	£
Interest paid	(60,000)	(25,433)	(45,000)	15,000
Interest earned				
Interest from portfolio	603,000	322,168	499,000	(104,000)
Temporary investment interest	40,000	9,842	30,000	(10,000)
Other interest earned	4,000	1,971	4,000	(100)
Less				
Interest to HRA	(230,000)	(115,000)	(230,000)	0
Interest to s106 agreements	(45,000)	(22,500)	(45,000)	0
Interest to Trust Funds	(12,000)	(6,000)	(12,000)	0
Lord Mayors Charity	0	(250)	(500)	(500)
GF interest received	<u>360,000</u>	<u>190,231</u>	<u>245,500</u>	<u>(114,500)</u>
Net interest	<u>300,000</u>	<u>164,798</u>	<u>200,500</u>	<u>(99,500)</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 A decision has been taken in line with advice from our Treasury advisors, that investments held with Investec are reduced in order to reduce the reliance on borrowing. It is planned, over the course of the year, to remove up to £12 million from Investec. Whilst this has the effect of reducing our investment interest for the year, it will reduce the interest paid as well and reduce our risk exposure as well as bringing our borrowing in line with our need to borrow for capital investment purposes.
- 3.2 In addition, temporary lending opportunities have been limited as the Council has maintained a negative cashflow during the year and relied upon short term borrowing to cover the shortfall.
- 3.3 The HRA interest is calculated according to statute, and will only change if the rate of interest earned changes during the year. At this stage, there is no evidence of this being the case and thus the full impact will fall on the General Fund.
- 3.4 There has been a little additional news in respect of the £5m invested in two Icelandic banks. The solicitors working for the LGA have prepared claims for local authorities to be submitted to the Banks. Additional advice has meant that both claims are for the full amount invested, all interest due up until maturity and penalty interest due up to 22 April 2009 (at around 22% - the current penalty rate in Iceland), which has substantially increased both claims. However, as a result Landsbanki have revised down the amount they anticipate that Councils will receive to 83p in the pound. The advice regarding Glitnir remains that, if confirmed as preferential creditors, Councils will receive 100%.

4. BORROWINGS

- 4.1 The Council has had to borrow temporarily for cashflow purposes throughout the first half of the year and incurred interest of £25,433 so far. Interest rates remain very low. At 30 September 2009 the Council had £16,000,000 of borrowing which is being repaid over the next few months as set out in 3.1 above. The Council continues to have no long term debt.

5. FUTURE POSITION

- 5.1 In order to ensure that the Council's borrowing is matched to its capital investment, the Council will reduce its investments held by Investec to approximately £8m. Whilst this will inevitably mean much lower future investment returns, it is a low risk strategy.
- 5.2 Short term borrowing rates currently remain extremely low and therefore the Council will continue to utilise this in the short term. However it is important to note that PWLB rates will increase as the Government's borrowing increases, therefore, with advice from our Treasury advisers, Sterling, the Council will look to move towards long term borrowing at the appropriate time.
- 5.3 Short term investment opportunities remain limited and the Council have added another call account facility (Nat West) to allow a further spread of investment. The Council is also limiting its use of the Co-op's facility as they have been downgraded by Fitch following the merger with Britannia Building Society.

6. RECOMMENDATION

6.1 That the Treasury Management report for the first six months of 2009/10 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

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 25 NOVEMBER 2009

EXECUTIVE
8 DECEMBER 2009

STAFFING – HOUSING BENEFITS

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval for an increase in the establishment of the Housing Benefits Team by 1 full time member of staff.

2. BACKGROUND

- 2.1 In previous years the Housing Benefits service has delivered significant efficiency savings resulting in a reduced establishment. However, as a result of the current economic downturn the benefit caseload has risen significantly in recent months. Resulting from this the Housing Benefits service is faced with having to cope with the increased volumes of work whilst maintaining its current good performance standards. As an indication, the Council's benefit caseload has increased from 9,678 in April 2008 to currently stand at 10,330 at the end of September 2009, an increase of almost 7%. The current establishment for benefit assessment staff is 21.7 FTE.
- 2.2 The Government has also recognised the pressures that local authorities are facing with regard to their statutory duty of administering housing benefit claims. The Government's Budget Report 2009 announced that it had set aside further additional funding as a result of the economic downturn to ensure that local authorities can continue to deliver and improve effective support services for the unemployed. Included within this report was provision for additional administrative subsidy to respond to the expected extra Housing Benefit and Council Tax Benefit workload in local authorities. It has therefore been agreed that in 2009/10 an additional £30m subsidy in addition to the previously agreed £45m announced in January 2009 will be provided to Local Authorities. The additional amount of funding that Exeter will receive in 2009/10 is £50,249.

3. THE PROPOSAL

- 3.1 In view of the increased workload and the desire to maintain the current good service performance it is proposed that the establishment in the Housing Benefits section is increased by the addition of one full time member of staff.

4. FINANCIAL IMPLICATIONS

- 4.1 The cost of an additional assessment officer post at Grade 5 including staff oncosts is £22,200 per annum rising to £24,700 per annum at the top of the grade. The additional cost of this post in the current financial year is more than met by the additional administration grant funding that we will receive from the Government.

5. RECOMMENDATION

- 5.1 That the Executive be **RECOMMENDED** to approve the creation of an additional post of Benefits Assessment Officer at Grade 5.

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

EXECUTIVE 8 DECEMBER 2009

RESULTS OF PUBLIC CONSULTATION : DRAFT SUPPLEMENTARY PLANNING DOCUMENT ON PLANNING OBLIGATIONS

1.0 PURPOSE OF REPORT

- 1.1 To seek Executive approval for the adoption of the amended document as a formal supplementary planning document.

2.0 BACKGROUND

- 2.1 Development often creates the need for additional infrastructure, services and facilities. If these are not provided, there can be negative implications for local amenity and the environment. Planning obligations provide the mechanism through which the social impact of development is accommodated. In the form of a Section 106 legal agreement, planning obligations are secured to ensure developers mitigate the impacts of, and provide for the infrastructural requirements arising from, development in a sustainable way.
- 2.2 DCLG Circular 05/2005 advocates that local authorities should set out the guidance on planning obligations through an adopted SPD. In view of this guidance, and the advantages of clarifying and regularising the process by which Section 106 agreements are secured, a draft SPD was produced in June 2009.
- 2.3 It is intended the SPD will increase the efficiency with which Section 106 agreements are negotiated. This in turn should assist the Authority in determining applications within the statutory periods set by the Government. The SPD will also enable the authority to fund the design and tendering costs for providing infrastructure which is delivered by the City or County Councils.

3.0 THE PUBLIC CONSULTATION

- 3.1 The draft SPD, for public consultation, was agreed by Planning Member Working Group and Executive in June 2009. The consultation period extended from 3 July 2009 until 14 August 2009. A copy of the draft SPD was placed on the Council's website and an advertisement was placed in the Express and Echo on 9 July 2009. 151 individuals, organisations and statutory consultees were also contacted either by e-mail or letter and informed about the consultation on the draft SPD.
- 3.2 The draft SPD was subject to a sustainability appraisal in accordance with the Environmental Assessment of Plans and Programmes Regulations 2004 and European Directive 2001/42/EC.

4.0 RESULTS OF PUBLIC CONSULTATION

- 4.1 The Council received 7 representations to the draft SPD. These are summarised in Appendix I and are accompanied by proposed responses to the points raised. No objections were received to the principle of adopting an SPD on planning

obligations, although one writer considered the process a bureaucratic exercise placing unnecessary burdens on the taxpayer.

- 4.2 The majority of points raised focused on the contents of the Summary of Planning Obligations Sought. In many cases, respondents were drawing attention to a lack of clarity or to items that had not been mentioned in some sections of the summary. In response to these representations, and where appropriate, amendments to the summary have been made. These include the addition of sections on CCTV, Housing for the Disabled and the amendment of sections on car clubs, environmental enhancements and highways to ensure clarity of meaning.
- 4.3 Two of the responses received questioned the evidence base for two of the policies included in the document. One writer stated that the car club obligation should be deleted from the document because there was no policy, or empirical evidence, to justify its inclusion. However, the Council adopted Supplementary Planning Guidance on Car Clubs in September 2005; this contains references to national research that demonstrates car clubs can help to reduce car travel on a particular development.
- 4.4 The other writer argued that, in line with the approach taken by other Councils, planning obligations should be relaxed for registered social landlords bringing forward 100% affordable housing schemes in the city. He objected particularly strongly to the inclusion of a housing mix requirement based on the Draft Affordable Housing SPD (November 2007) and questioned the evidence base for this policy. The reasoning for this policy is contained in the Draft Affordable Housing SPD. The Council is currently revising this document and intends to conduct a further public consultation in due course. In many ways, it would be more appropriate for these objections to be considered during the adoption process for this SPD rather than for the Planning Obligations SPD. Nonetheless, it is worth noting that the latter does contain a section on viability (4.7), which outlines how the Council would handle claims that contributions would make a particular scheme unviable. The Council's proposed detailed responses to this objection can be seen in Appendix I.
- 4.5 Apart from the planning obligations summary, a small number of minor changes have been made to the rest of the document in order to correct grammar or to clarify the meaning of some sentences that gave rise to comments during the public consultation. The main amendments to the draft SPD, as a result of the consultation, are noted in Appendix I. A copy of the proposed SPD for adoption is attached in Appendix II.

5.0 PLANNING MEMBER WORKING GROUP

- 5.1 The results of the public consultation and the proposed amendments to the document were presented to Planning Member Working Group on 24 November 2009. During the meeting, some additional amendments were proposed to ensure the inclusion of provisions contained in the Council's Archaeology and Development Supplementary Planning Guidance. After a short discussion on affordable housing and the viability of schemes, Members supported the amendments to the document.

6.0 RECOMMENDATION

- 6.1 It is recommended that Executive adopts the amended document as a formal SPD.

**RICHARD SHORT
HEAD OF PLANNING AND BUILDING CONTROL**

ECONOMY AND DEVELOPMENT DIRECTORATE

**Local Government (Access to information) Act 1985 (as amended)
Background Papers used in compiling the report:-**

None

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Planning Obligations SPD: Summary of Representations and Responses

	Representation	Response	
1	<p>Sustainable measures incorporated into development should be taken into account in considering the level of contribution required.</p> <p>Case-by-case assessment of contributions welcomed.</p>	<p>Developers are welcome to make representations regarding viability in respect of any contribution requested. The Council will take these into account having regard to Section 4.7 (on viability) in the SPD.</p> <p>Noted.</p>	Simon Metcalfe WYG, on behalf of Sainsburys
2	<p>All this does is bring together information that may be found elsewhere into a single document.</p> <p>Reinvents the wheel, one nation wide document should be produced to cut costs and bureaucracy.</p>	<p>The purpose of the document is to provide a single source of information.</p> <p>Circular 05/2005 encourages planning authorities to produce such SPDs. This document reflects Exeter's local requirements.</p>	Robert Price
3	<p>Affirmation of current affordable housing policy is welcomed.</p> <p>Car club contributions should be deleted as there is no evidence that they reduce car ownership or use. There is no policy basis for this contribution.</p> <p>Environmental enhancements section is unclear as to what the policy is attempting to achieve.</p>	<p>Noted.</p> <p>Normally, car club contributions are sought on sites as an option when there is limited or reduced parking provision, particularly developments in the city centre. The policy basis for this contribution is the Council's adopted Car Club Supplementary Planning Guidance (SPG). This outlines certain thresholds which are used when the policy is applied. The Carplus website, referred to in 'Further Information', provides analysis of the role car clubs can play in reducing car usage. The language has been clarified to make the section clear in the SPD.</p> <p>Any contributions sought will be site specific so it is difficult to specify in general terms what the policy seeks to achieve. Normally, however, the contributions will relate to improvements to the public realm. The language has been clarified to make the section clear in the SPD.</p>	T J Baker

	<p>It would be preferable for public art contributions to be made for on site provision.</p> <p>Site specific contributions must be a reasonable interpretation of national policy.</p> <p>No justification for education contributions as there is capacity in all schools in Exeter.</p>	<p>As a general rule, contributions for public art would be made for on site provision. However, there may be some exceptions and therefore an assessment is required on a case by case basis.</p> <p>Agreed.</p> <p>Contributions are only sought where the Local Education Authority advise that there is a shortfall in capacity at the catchment schools.</p>	
4	<p>Obligations should not be subverted by off site payments. Where affordable housing has been required, a payment from the developer has been accepted in lieu of the actual provision and has not then materialised.</p> <p>Valuation advice should be taken from independent bodies, not other developers, valuers or estate agents.</p> <p>Concern is raised over provisions of Section 6.5 (Modifying and Discharging Planning Obligations). 5 years is too short a period and could result in an application for discharge of an obligation early in the development.</p> <p>As many planning requirements as possible should be built into the basic permission. This would save time and contention in the preparation of an additional legal document.</p>	<p>Policy H6 requires proposals for development of 15 or more dwellings to include provision of affordable housing. Off site provision will only be acceptable where the City Council is convinced that special circumstances exist.</p> <p>In lieu payments to the Council are always used to provide affordable housing. This allegation is not substantiated.</p> <p>Valuation advice would be sought from an independent third party as specified in paragraph 4.7.1.</p> <p>The time limit after which a submission may be made is set by national legislation – Section 106A of the Town and Country Planning Act 1990 (as amended). This is explained in Section 6.5 of the SPD.</p> <p>Circular 05/2005 agrees with this. Planning obligations should only be used when the scope of a planning condition is exceeded and cannot be used to address a certain matter. This is explained in Section 4.1 of the SPD. The Council seeks Heads of Terms early in the planning process and, when applicable, sets out these Terms at Planning Committee.</p>	CPRE, Devon
5	<p>DCC welcomes this document as a guide for developers as to their responsibilities and requirements when making planning applications.</p>	<p>Noted.</p>	Devon County Council

	<p>With regard to obligations to the County Council for Education, it would be better to refer to the requirements and then, for further details, direct applicants to either the Education Directorate or to the DCC website rather than put in actual figures which will change during the lifetime of the document.</p> <p>The Education section should also include early years, children's centre, youth provision, special education needs and also social care.</p> <p>There should be references to the requirements for contributions to Green Infrastructure.</p> <p>Contributions to walking and cycling facilities should be included.</p> <p>Policy H7 of the Local Plan refers to provision for 'housing that can easily be adapted for occupation by people permanently confined to wheelchairs' and that this will be negotiated and should therefore be included.</p> <p>Reference to allotment requirements should be included.</p> <p>Reference should be made to CCTV requirements as indicated in the Local Plan Paragraph 5.38.</p>	<p>The opening paragraph of the Summary of Planning Obligations Sought acknowledges that the financial figures quoted will be subject to review in line with policy changes and inflation. The text within the education section has been amended to emphasise this point.</p> <p>Devon County Council would need to provide an evidence base for this as contributions for these have not been sought in the past.</p> <p>Green Infrastructure is included in the Parks, Leisure and Open Spaces section of the Summary of Planning Obligations Sought. Other matters, whilst not explicitly mentioned, would fall within the Site Specific section.</p> <p>On-site, provision for walking and cycling facilities would be dealt with by condition. Contributions for any off-site provision would fall within the Highways section of the Summary of Planning Obligations sought. The summary has been amended to include references to these.</p> <p>Agreed – the SPD has been amended to include this requirement.</p> <p>Policy L10 of the Exeter Local Plan merely seeks to protect existing provision rather than secure new allotment sites. The Council's Allotment Strategy recognises that new policies will need to come through the LDF process. Where allotments are offered or secured as part as open space, it would be considered a site specific obligation.</p> <p>Paragraph 5.38 of the Local Plan relates to problems that can arise from food and drink outlets – noise, litter, anti-social behaviour and late night disturbance. The Council agrees with this comment and the SPD has been amended to include this requirement.</p>	
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	<p>Items identified in paragraphs 8.17 - 8.19 of the Local Plan could benefit from greater clarity.</p> <p>Requirements for the Historic Environment could be made more explicit.</p> <p>Paragraph 3.1. is confusing and could be written as 'Regional Planning Guidance 10 and the Devon Structure Plan 2001 - 2016 set... The RSS, when adopted, will.... Each....</p> <p>In reaching agreement on what provision should be made, three parties should be at the table – the developer, the planning authority and representatives of the local community. Clear procedures should be incorporated to ensure local opinion is canvassed and represented.</p>	<p>These paragraphs form a section on Developer Contributions. Various forms of physical and social infrastructure are listed to explain why and when contributions may be required on a given development. Whilst some of the items identified are not explicitly mentioned in the SPD, all would fit within one of the categories contained in the summary.</p> <p>Although not explicitly mentioned, these would fall within the Site Specific section of the Summary of Planning Obligations Sought.</p> <p>The paragraph merely explains the regional and county policy context for the SPD. The Council does not consider this paragraph to be confusing.</p>	
6		<p>Members of the public are not signatories to a Section 106 agreement and therefore it is not appropriate that they are at the negotiating table. Nonetheless, they can make their views known in a number of ways. Consultations are carried out on all policy documents and planning applications. Members of the public can make their views known during these consultations.</p> <p>Members of the Planning Committee, who represent the local community, play a key role in the adoption of planning policies and the determination of planning applications.</p> <p>Noted.</p>	G Richards
7	<p>Tetlow King, representing the South West RSL (Registered Social Landlord) Planning Consortium, welcomes the Council's attempts to adopt an SPD. This will add more weight to affordable housing policies.</p> <p>100% affordable housing schemes are primarily delivered for residents already living in the district and therefore should not be liable for the same level of contributions as general market housing schemes. Circular 05/05 states all contributions should be 'fairly and reasonably related in scale and kind to the proposed development'. Reducing the rate of contributions for RSL development will encourage organisations to bring forward more 100% affordable housing schemes. The Council will need</p>	<p>The contributions sought relate to development and are based on the net gain in the number of dwellings rather than on the people living in the dwellings.</p> <p>Section 4.9 of the SPD addresses how the Council will handle any problems that may arise regarding the viability of a scheme.</p>	Tetlow King Planning

<p>schemes of this type to come forward to meet the housing allocations in the Regional Spatial Strategy and to reduce social housing waiting lists.</p>	<p>Tellow King objects to the inclusion of affordable housing total and mix requirements as based on the draft Affordable Housing SPD. The emerging Regional Spatial Strategy states that housing policies, including on housing mix, should be set within DPDs. The suitability and robustness of the evidence base in setting policy is questioned, in particular affordable housing thresholds and targets for the proportion of social rented and intermediate affordable housing. The Social Housing Market Assessment provides insufficient details with which to determine policy. Detailed policies should be set within the Core Strategy.</p>		<p>The Council produced, and consulted on, a Draft Affordable Housing SPD in November 2007. Officers are currently revising the document and intend to carry out a second public consultation in due course. At this stage, no changes to the proposed housing mix requirements are planned. Once adopted, the SPD will introduce formally this requirement. The proposed provisions are based on the targets contained in, and are consistent with, Policy H6 of the Exeter Local Plan First Review 1995-2011. The Council is also currently working on the production of its Core Strategy, which forms part of the Local Development Framework. This will include policies on affordable housing.</p>
<p>Affordable housing schemes should be made exempt from, or have a reduction in, the requirement to provide car clubs. At present the Car Club SPD only states that contributions may be negotiated as an alternative to other measures. Residents of affordable housing are less likely to own cars.</p>	<p>The Car Club SPG does not create a compulsory framework for obligations. Contributions will be considered on a case by case basis.</p>	<p>The Draft Affordable Housing SPD expands on local planning policies – specifically H6 of the Exeter Local Plan.</p>	
<p>The SPD should not reproduce unadopted policy but have its basis in up to date planning policy and guidance.</p> <p>The Council should specify what circumstances would constitute a development not maximising site potential as Paragraph 4.6.1 is otherwise too ambiguous to be fairly interpreted by all parties involved in development.</p>	<p>Paragraph 4.6.1 of the SPD seeks to explain that planning obligations will be sought from sites considered capable of yielding 15 or more dwellings. This is to prevent developers from avoiding a planning obligation by reducing the scale of their proposals. In order to ensure this is clear, the wording of the paragraph has been amended.</p>		

	<p>In the current economic climate, developers need to be assured that affordable housing costs will not sink entire schemes. Promotion of a flexible approach towards seeking affordable housing will encourage developers to bring forward schemes.</p>	<p>Noted.</p>	
<p>An administration fee for monitoring the payment of Section 106 monies is unnecessary. The Council already charges significant application fees and a further fee to draw up the legal agreement. Circular 04/2008 on planning fees makes no provision for charging for the monitoring of planning obligations.</p>	<p>The administration fee is not an extra charge. It will form part of the overall contribution figure. It will allow the Council to spend money on work associated with planning obligations – such as ordering play equipment or commissioning housing needs survey.</p>	<p>Noted.</p>	
<p>The Government are looking at exemptions for affordable housing. The draft Community Infrastructure Levy guidance indicates that a reduced rate of CIL will be sought on affordable housing development. This approach should be continued at the local level through documents such as this. Numerous other Authorities around the country are adopting such an approach.</p>	<p>Should the Council adopt CIL, further consultation will be held at a future date. The contributions sought relate to development and are based on the net gain in the number of dwellings rather than on the people living in the dwellings. Section 4.9 of the SPD addresses how the Council will handle any problems that may arise regarding the viability of a scheme.</p>	<p>Noted.</p>	

EXETER CITY COUNCIL

EXECUTIVE
8 DECEMBER 2009

WAVELENGTH 20 - SURVEY RESULTS

1.0 PURPOSE OF REPORT

1.1 To present the main findings of the Wavelength 20 survey to SMT

2.0 BACKGROUND

2.1 There were **623** forms returned from **901** sent out. This is a return rate of **69%**

2.2 The Wavelength panel is representative of the city for gender and for ward population but is under-represented in the younger age-groups and over-represented among the older groups. To compensate for this a weighting has been applied to ensure the percentage figures reported are reflective of the city's population.

2.3 Wavelength 20 covered three topics:-

- **Refuse recycling:** This was a part of the consultation and involvement plan for the proposed changes to the refuse collection which also included an online survey, focus groups, a Community Forum and community meetings.
- **Environmental health:** To gauge public support for the proposed introduction of a rating scheme for food safety and hygiene standards in catering and restaurants.
- **Online services:** To gauge public opinion and attitudes to the Council website and online services since the introduction of the new website and gather data on levels and patterns of internet use.

2.4 Online services have previously been covered in Wavelength 17 in 2008. The questions were re-run to identify changes in perception since the launch of the new council website and to identify trends in usage as this is an area of which is quickly changing.

2.5 This Executive Summary only provides a commentary on the figures returned for Wavelength 20. For a full comparison with previous Wavelengths, please see the main report.

3.0 SUMMARY OF RESULTS

3.1 Refuse and recycling

Panellists were asked a range of questions about the refuse collection and recycling services. These included broad questions on principles around recycling and climate change, questions around current recycling behaviour, the type of property and collection that people had. They were then asked a range of attitudinal questions around the proposed changes to the refuse collection service.

3.2 The results showed that:

- Large majorities in favour of the Council improving it's recycling rates and reducing it's carbon emissions
- Significant quantities of some recyclable materials being disposed of by the incorrect method
- Most respondents have external storage at their property
- Respondents in flats are less likely to have external storage
- The percentage of respondents on a weekly collection is in line with the percentage across the city
- Respondents on a weekly collection are more sceptical about the proposed switch to a fortnightly collection
- Respondents on a back alley collection are quite sceptical about the switch to a front of property collection
- Respondents in the affected groups (weekly collections and back alley collections) are more likely to feel that the proposed changes will affect the way that they deal with their refuse and recycling

3.4 **Environmental Health**

The questions in this section looked at the proposed introduction of a star rating scheme for food premises, the range of premises it could apply to and whether the results should be made public either on the website, on the premises or via the Exeter Citizen.

3.5 The results showed that the vast majority of respondents were in favour of the scheme and in having the results reported on the website and in the Exeter Citizen.

3.6 **Online services**

The online services section asked people to indicate their use (and that of their children) of the internet. This covered everything from e-mail to online shopping and search engines to social networking. People were also asked about how they find out Council information and how they use the Council website.

3.7 The results showed that:-

- The vast majority of respondents use the internet
- There is a slight upward trend in internet use
- The most popular uses were for e-mail and search engines
- Use of mapping services has greatly increased
- There are some significant differences in patterns of use between male and female respondents for both general internet use and Council specific use
- The most popular way to get Council information is via the Citizen, leaflets/publications and the website. This has not changed since the last time this was asked (Wavelength 17, 2008)
- Very few older people (65+) use the Council website compared to the percentage of older people who use the internet generally
- The website is generally well regarded but there are specific areas which would benefit from improvement
- Although the information on the website was generally regarded as good, there were some areas which scored less highly
- Respondents were not overwhelmingly positive towards the website although relatively few were negative
- The Living In Exeter feature is not well known at the moment but respondents suggested that they would make more use of it in the future

4.0 NEXT STEPS

4.1 Results from Wavelength 20 have been passed to the commissioning Directorates. The Refuse and Recycling results were reported to the Refuse Collection Working Party in early November.

4.2 The issues identified in 3.7 are being addressed by the Web Development Team. Customers provide regular feedback on areas of the website through GovMetric. This is monitored daily by the Web Development Team to identify where areas of the website require immediate improvement. In addition to this, at Service Level Agreement meetings held by the Customer Service Development Officer with Services, GovMetric feedback is provided to help them understand where they need to review and improve their content on the website. To improve awareness of Living in Exeter, it has been suggested to the GIS Officer that it can be promoted through the use of the website's 'adspots', as well as services being encouraged to embed the postcode finder into their content where it is relevant.

4.3 Results from the survey will be posted on the Council's website, a summary will be sent to Wavelength panellists and produced in the Citizen.

5.0 RESOURCE IMPLICATIONS

There are no resource implications

6.0 RECOMMENDATIONS

Executive are asked to approve the report

ASSISTANT CHIEF EXECUTIVE

23/11/09

Background papers used in this report:

- Wavelength 20 full report

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