



Exeter City Council

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AGENDA FOR
EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES

The Scrutiny Committee - Resources will meet on **WEDNESDAY 22 JUNE 2011**, commencing at **5.30 pm**, in the Rennes Room, Civic Centre, Paris Street, Exeter to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Sarah Selway, Member Services Officer on **Exeter 265275**.

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

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PART I: ITEMS SUGGESTED FOR DISCUSSION WITH THE PRESS AND PUBLIC PRESENT

1 **MINUTES**

To sign the minutes of the meeting held on 23 March 2011.

2 **DECLARATIONS OF INTEREST**

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

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

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

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

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

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

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

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

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

6 **INTERIM AUDIT REPORT**

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

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7 **LEADER AND PORTFOLIO HOLDER TO PRESENT THE PRIORITIES FOR THE FORTHCOMING YEAR**

Councillor Edwards (Leader and Portfolio Holder for Budget and Strategic Vision) and Councillor Martin (Portfolio Holder for Business Transformation and Human Resources) will present their reports on the priorities for the forthcoming year in light of the Committee's work programme.

PERFORMANCE MANAGEMENT

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

8 **AIM PROPERTY MAINTENANCE OUTTURN REPORT 2010/11***

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

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9	<u>ANNUAL RESULTS OF PERFORMANCE MONITORING 2010/11*</u>	
	To consider the report of the Director Corporate Services – <i>report circulated</i>	27 - 34

<u>MATTERS FOR CONSIDERATION BY THE EXECUTIVE</u>
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10	<u>CAPITAL MONITORING 2010/11 AND REVISED CAPITAL PROGRAMME FOR 2011/12 AND FUTURE YEARS</u>	
	To consider the report of the Head of Treasury Services – <i>report circulated</i>	35 - 54

11	<u>OVERVIEW OF REVENUE BUDGET 2010/11</u>	
	To consider the report of the Head of Treasury Services – <i>report circulated</i>	55 - 70

12	<u>TREASURY MANAGEMENT 2010/11</u>	
	To consider the report of the Head of Treasury Services – <i>report circulated</i>	71 - 74

13	<u>ANNUAL GOVERNANCE STATEMENT</u>	
	To consider the report of the Chief Executive and the Head of Treasury Services – <i>report circulated</i>	75 - 84

<u>MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES</u>

14	<u>REVENUE FINAL ACCOUNTS 2010/11</u>	
	To consider the report of the Head of Treasury Services – <i>report circulated</i>	85 - 92

15	<u>WORKFORCE PROFILE AND LEARNING AND DEVELOPMENT REPORT 2010/11</u>	
	To consider the report of the Head of Human Resources – <i>report circulated</i>	93 - 102

16	<u>MEMBERS' ALLOWANCES 2010/11</u>	
	To consider the report of the Assistant Chief Executive – <i>report circulated</i>	103 - 106

DATE OF NEXT MEETING

The next **Scrutiny Committee - Resources** will be held on Wednesday 21 September 2011 at 5.30 pm

FUTURE BUSINESS

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

Membership -

Councillors M A Baldwin (Chair), Hobden (Deputy Chair), Branston, Bull, Henson D.J., Mitchell, Morris, Mottram, Ruffle, Spackman, Taghdissian, Tippins and Wardle

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Member Services Officer on (01392) 265275 for further information.

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



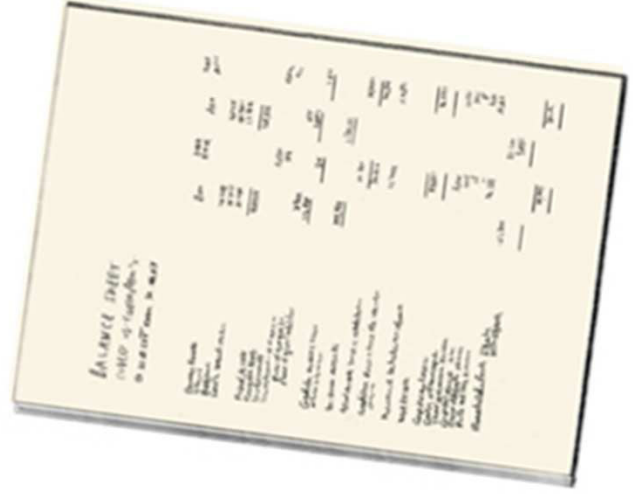
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Exeter City Council

Interim Report and update to Financial Audit Strategy

23 May 2011

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Introduction

Introduction

This memorandum is intended to provide additional details regarding our audit approach, as set out in our Financial Audit Strategy 2010-11 issued in February 2011, as well as an update on our response to key risks from the results of interim audit work carried out to date.

Use of this report

This report has been prepared to advise you of the matters arising from our interim work and should not be used for any other purpose or be given to third parties without our prior written consent. Our report is part of a continuing dialogue between the Council and ourselves and should not be relied upon to detect all errors, systems or control weaknesses or opportunities for improvements in management arrangements that might exist.

The Council should assess the wider implications of our conclusions and recommendations before deciding whether to accept or implement them, seeking your own specialist advice as appropriate.

We accept no responsibility in the event that any third party incurs claims, or liabilities, or sustains loss, or damage, as a result of their having relied on anything contained within this report.

The way forward

We have set out our findings and recommendations in the appendices to this report. We have agreed action to implement the recommendations made with the Director of Finance.

Acknowledgements

We would like to record our appreciation for the assistance and co-operation provided to us during our interim audit by the Councils staff.

Grant Thornton UK LLP
23 May 2011



Executive Summary

The table below provides a summary of the work performed and our key findings to date. For further detail refer to the relevant section within this report.

Audit Approach	There have been no changes to our overall audit approach as set out in the Financial Audit Strategy 2010-11.
Risk assessment	<ul style="list-style-type: none">• Our audit risks were outlined in our Financial Audit Strategy 2010-11. We have not identified any new risks facing the Council.
Review of internal controls	<ul style="list-style-type: none">• We have evaluated the design effectiveness of internal controls over the financial reporting process through a combination of inquiry and observation procedures, and, where appropriate, systems walkthroughs.
Review of internal audit	<ul style="list-style-type: none">• We have concluded that the Internal Audit service continues to provide an independent and satisfactory service to the Council and that we can take assurance from their work in contributing to an effective internal control environment at the Council.
IFRS arrangements review	<ul style="list-style-type: none">• Our review identified that the Council is making progress in its transition to IFRS. Work is being undertaken by the Council to collate and review all relevant information but there is a need to complete the restatement of the 2009-10 accounts and supporting notes. We will review this remaining work during the final accounts audit.

Our accounts audit approach

Audit approach

We:

- work closely with the finance team to ensure that we meet audit deadlines and conduct the audit efficiently;
- plan our audit on an individual task basis at the start of the audit, and agree timetables with all staff involved;
- consider the materiality of transactions when planning our audit and when reporting our findings; and
- review the processes and position of the Council for its transition to International Financial Reporting Standards (IFRS).

The logistic details of our annual accounts audit, as agreed with the Finance team, are detailed at Appendix A to this memorandum.

In summary our audit strategy comprises:

Planning	<ul style="list-style-type: none">• Updating our understanding of the Council through discussions with management and a review of the management accounts
Control evaluation	<ul style="list-style-type: none">• Review of management accounts• Review IFRS transition arrangements• Review the design effectiveness and implementation of key controls
Substantive procedures	<ul style="list-style-type: none">• Review material disclosure issues in the financial statements• Perform analytical review• Verify all material income and expenditure and balance sheet accounts, taking into consideration whether audit evidence is sufficient and appropriate
Completion	<ul style="list-style-type: none">• Perform overall evaluation of the financial statements• Determine an audit opinion• Report to the Scrutiny Resources Committee

Our accounts audit approach (continued)

Materiality

An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true or fair view.

Materiality is set at the outset of planning to ensure that an appropriate level of audit work is planned. It is then used throughout the audit process in order to assess the impact of any item on the financial statements. Any identified errors or differences below £21,000 which we deem to be clearly inconsequential under the auditing standards will be recorded on a schedule of potential misstatements.

These potential misstatements are assessed individually and in aggregate, discussed with you and, if you do not adjust, signed off by you in your letter of representation to us, confirming your view that they are immaterial to the financial statements. We will consider whether any unadjusted items impact on our audit opinion.

An item of low value may be judged material by its nature, for example any item that affects the disclosure of directors' emoluments. An item of higher value may be judged not material if it does not distort the truth and fairness of the financial statements.

Reliance on internal audit

We will work with the internal audit function to ensure our audit approach takes account of the risks identified and the work they have conducted, subject to our review of the effectiveness of the internal audit function.

Review of IT and outsourced systems

Our audit approach assumes that our clients use a computer system for accounting applications that process a large number of transactions. Accordingly, our approach requires a review of the Council's internal controls in the information technology (IT) environment.

We have involved IT specialist team members during the audit. This approach is based on the complexity of IT used in the Council's significant transaction cycles and a control risk assessment.

Internal controls

Auditing standards require that we evaluate the design effectiveness of internal controls over the financial reporting process to identify areas of weakness that could lead to material misstatement. Therefore, we will focus our control review on the high risk areas of the financial statements.

Our accounts audit approach (continued)

We are also required to assess whether controls have been implemented as intended. We have done this through a combination of inquiry and observation procedures, and, where appropriate, systems walkthrough tests. However, our work cannot be relied upon necessarily to identify defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive controls review exercise might identify.

Transition to International Financial Reporting Standards (IFRS)

The IFRS based Code of Practice on Local Authority Accounting in the United Kingdom (the Code) has effect from 1 April 2010. The 'transition date' to IFRS was therefore 1 April 2009.

The Council is responsible for the preparation of a restated opening balance sheet as at 1 April 2009 following the introduction of International Financial Reporting Standards (IFRS) and in accordance with the Code.

Auditors do not have any direct reporting responsibilities in respect of transition balances although they form the opening balances for the comparative period.

Our work has taken the form of an arrangements review intended to provide feedback on the Council's approach to restatement and is not an audit of the

restated balance sheet figures. Detailed work on the restated figures will take place during the 2010-11 final accounts audit. This assessment has focussed upon material balances either in regard to their value or nature.

Our review identified that the Council is making fair progress in its transition to IFRS. The transition balance sheet was supported by working papers which clearly set out the approach adopted by the Council and justified the conclusions reached. The approach was confirmed as in accordance with the requirements of the Code and we did not identify any issues which had not already been considered by the Council.

The Council is currently in the process of drafting the IFRS Comprehensive Income and Expenditure statement and notes. We will review these as part of our final accounts audit visit.

Update on accounts audit risk assessment

As part of our planning and control evaluation work we have reviewed the audit risks identified in our Financial Audit Strategy 2010-11 and have set out below the outcome of work completed to date and further work planned.

We will report our full findings and conclusions in respect of each risk identified in our Annual Report to Those Charged with Governance (ISA 260) on completion of our final accounts audit.

Our update of the audit risks facing the Council has not identified any new risk areas.

Issue	Audit areas affected	Work completed	Further work planned
<p>2010-11 financial statements do not comply with the requirements under International Financial Reporting Standards (IFRS)</p>	<p>All areas of the financial statements</p>	<ul style="list-style-type: none"> We have reviewed the process put in place by the Council for completing the transition to IFRS and have reviewed the restated balance sheets and the accounting policies. No significant issues were identified. 	<ul style="list-style-type: none"> Material balances which are impacted by the transition to IFRS and the related accounting policies will be reviewed in detail at the time of the final accounts audit.
<p>Insufficient finance team resources available to deliver statutory requirements by 30 June 2011</p>	<p>All areas of the financial statements</p>	<ul style="list-style-type: none"> We have reviewed the closedown timetable and project plan and are satisfied with the timetable in place. 	<ul style="list-style-type: none"> We will continue to work with the Council to ensure that all deadlines are met.

Update on accounts audit risk assessment (continued)

Issue	Audit areas affected	Work completed	Further work planned
Incorrect accounting for Icelandic Bank investments	Investments & Financial Instruments	<ul style="list-style-type: none">• We have reviewed guidance that has been issued and have discussed these with the client.	<ul style="list-style-type: none">• We will continue to discuss emerging issues with the Council around Icelandic investments and ensure that these have been correctly accounted for in the accounts.
Financial performance pressures affecting the Council's ability to deliver its budget and provide services to the public	All areas of the financial statements	<ul style="list-style-type: none">• We have reviewed the Council's financial controls and its budgetary reports to complete our preliminary analytical procedures.	<ul style="list-style-type: none">• Our final audit work has been tailored to address the risks identified. This will involve analytical reviews, where explanations and corroborating evidence will be sought for significant movements.• We will consider the use of general reserves in the year.

Results of interim audit work

Scope

As part of the interim audit, and in advance of our final accounts audit visit, we considered:

- the effectiveness of the Internal Audit function;
- internal audit's work on the Council's key financial systems;
- a review of closedown procedures in preparation for the final accounts under International Financial Reporting Standards (IFRS);
- review of Financial reporting controls;
- review of Information Technology controls; and
- prior year recommendations.

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The internal audit function

We review internal audit's overall arrangements against the CIPFA Internal Audit Standards. Where the arrangements are deemed to be adequate, we can gain assurance from the overall work undertaken by internal audit and can conclude that the service is contributing to the internal control environment and overall governance arrangements within the Council. We also review work performed in areas we assess as representing an accounts risk to establish the issues and whether we can place reliance on that work.

Overall, we have concluded that the Internal Audit service continue to provide an independent and satisfactory service to the Council and that we can take assurance from their work in contributing to an effective internal control environment at the Council.

We reviewed internal audit's work on the key financial systems to determine whether issues identified impact on our audit of the financial statements. Where work has been completed, all reports were provided. No significant issues have been identified through review of these reports.

In assessing the effectiveness of internal audit work, we reviewed two internal audit files to ensure that:

- systems were adequately documented;
- key controls have been identified and evaluated
- key controls have been tested; and
- weaknesses have been reported to management

We are pleased to note that we did not identify concerns over internal audit's work and their work was performed to a high standard.

Results of interim audit work (continued)

Close Down Procedures

We have reviewed the annual accounts closedown schedule and guidance issued to the finance team. The closedown schedule is comprehensive and outlines the necessary information required and the timescale for the preparation of the financial statements.

We have provided the Council with an arrangements letter which sets out our working paper requirements for the final accounts audit that support the individual areas reported in the accounts.

Financial Reporting Controls

As part of the audit, we reviewed the monitoring controls to ensure information generated and communicated from various sources comes together to achieve reliable financial reporting. We found that the Council's process and controls are generally sound. Previous recommendations have been implemented where agreed.

Key Financial Systems

As part of our audit, we document the processes and activities for all the key significant financial systems. We review the controls over the key financial systems where we consider that it is reasonably possible that a risk of misstatement in the financial statements could occur.

We do this to assess whether there are any major controls weaknesses that could affect the level of testing required at our final accounts audit.

We review and rely on the work undertaken by Internal Audit, where appropriate to do so.

We have documented the following key financial systems including, grants revenue and accounts receivable, expenditure and accounts payable, property plant and equipment (PPE) and payroll.

We assessed where we consider that there is a higher risk of material misstatement and we have reviewed the controls over these financial systems in the areas of expenditure and PPE. We have also evaluated the performance of these internal controls through a combination of review of individual systems and walkthrough tests. No material control deficiencies were found from our work.

Review of information technology controls

The Council makes use of Cedar Open Accounts (COA) eFinancials, a finance package purchased from a third party, to administer its accounts. COA eFinancials is administered within the Finance department and sits within the Council's main IT network, which is managed by the ICT department.

Results of interim audit work (continued)

Our information systems specialist performed a high level review of the general IT control environment, as part of the overall review of the internal controls system, and concluded that from the work undertaken to date, there are no material weaknesses which are likely to adversely impact on the Council's financial statements.

We have, however, identified a small number of areas where arrangements could be improved. We do not consider these to pose a significant risk to the accounts, and have reported them to management through our interim audit feedback meeting. These include:

- User access reviews; and
- Network intrusion detection and prevention.

User access reviews

There is no formal process in place to ensure user access is reviewed on a regular basis. Although the ICT team and system administrators are automatically notified of leavers from the HR system this does not cover users who change departments or whose access requirements change.

If user access is not reviewed by management on a regular basis, there is a risk that access will become disproportionate over time the users job responsibilities. There is also a higher risk of segregation of duties weaknesses as individuals transfer or move on to different positions within the Council.

Recommendation 1

Management should consider implementing a process to review user access to the COA eFinancials application on a regular basis to ensure access is appropriate and based on job functions.

Network intrusion detection and prevention

Limited intrusion prevention is performed and, there is no separate and dedicated system for intrusion detection or prevention (IDS/IPS). The Council has upgraded its firewall, which has an element of IDS available. This was inspected as part of the Code of Connection (CoCo) compliance review and the Council were rated as 'partially compliant' due to the upgraded firewall. The Council is aware of the benefits of an IDS/IPS but are mindful of the cost implications.

Weaknesses may exist in both hardware and software on a daily basis that can severely compromise the security of Council's information systems.

Recommendation 2

The Council should consider implementing an intrusion detection or prevention system. Given the significant cost implications, the Council could consider a joint procurement option with another council, which could be shared through CoCo connect to share the costs.

Results of interim audit work (continued)

We will revisit these areas in 2011-12 and follow up the actions taken by the Council.

Review of arrangements for implementation of International Financial Reporting Standards (IFRS)

Introduction and Background

Local authorities are required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). From 2010-11 this Code will be based in International Financial Reporting Standards (IFRS) rather than a UK GAAP based Statement of Recommended Practice (SORP). The Code requires a restated balance sheet at 1 April 2009, restated 2009-10 accounts and full published IFRS accounts for 2010-11.

Basis of assessment

This report details the findings of our review. For each significant balance sheet item, we have considered the Council's arrangements against each of the following questions:

- Are the Council's arrangements for identifying and reporting their accounting policy adequate?
- Are the Council's arrangements for identifying and reporting their adjusted UK GAAP values at 1 April 2009 and 1 April 2010 adequate?
- Are the Council's arrangements for reporting IFRS values adequate?
- Are the Council's arrangements for restating their notes to the balance sheet adequate?
- Are the Council's arrangements for preparing quality supporting working papers adequate?

The Council's arrangements for each line in the balance sheet have been assessed using a red/amber/green RAG rating using the following definitions:



Where items and areas have been assessed as amber or red we have discussed these with officers and made recommendations.

Adequacy of arrangements - findings

Balance sheet item	Accounting policies	UK GAAP values	IFRS values	Supporting notes	Working papers	Overall assessment
Property, plant & equipment	G	G	A	A	G	A
Trade & other debtors	G	G	A	A	G	A
Investments	G	G	A	A	G	A
Cash and cash equivalents	G	G	A	A	G	A
Assets classified as held for sale	G	G	A	A	G	A
Trade & other creditors	G	G	A	A	G	A
Non-current borrowings	G	G	A	A	G	A
Non-current Provisions	G	G	A	A	G	A
Non-current other liabilities	G	G	A	A	G	A

Adequacy of arrangements – amber ratings

Area of Review	Reason for rating	Next steps
IFRS Values	The restated IFRS values for closing 2009-10 and the opening 2010-11 figures were not made available to us at the time of our audit review.	Officers need to restate the IFRS values, ensuring that they are compliant with the Code. We will review these values during the final accounts audit.
Supporting Notes	Final supporting notes had not been completed at the time of our review.	Final supporting notes need to be prepared to ensure that they comply with the Code.

Overall conclusion and recommendations

Conclusion

No significant issues have been identified through our interim audit work.

Whilst some progress has been made by the Council in implementing the requirements of IFRS, there is still a need to complete the 2009-10 comparative accounts and supporting notes. We will review the comparative Comprehensive Income and Expenditure Statement as a part of the final accounts audit.

Understandably there is more work to do and we will be working closely with the Finance team in their preparation of full IFRS accounts for 2010-11.

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Acknowledgements

We would like to record our appreciation for the assistance and co-operation provided to us during our review.

Appendix A. Logistics

Timetables and milestones

The following proposed timetable and deadlines have been set:

Event	Date
Pre year end fieldwork including internal controls review	February & March 2011
Interim audit report	June 2011
Commence accounts audit fieldwork	18 July 2011
Financial statements report - to those charged (ISA 260)	September 2011
Annual Audit Letter	November 2011

The audit process is underpinned by effective project management to ensure that we co-ordinate and apply our resources efficiently to meet your deadlines. It is therefore essential that we work closely with your team to achieve this timetable.

Information requirements

The information and working paper requirements that would assist us in an efficient and timely audit of the year-end financial statements have been communicated to the finance team within our Arrangements Letter, which was issued in March 2011.

Engagement team

In accordance with our Financial Audit Plan 2010-11 issued December 2010, the main engagement team for the accounts audit will include:

Name	Role	Contact details
Barrie Morris	Engagement Lead	T: 0117 305 7708 E: Barrie.Morris@uk.gt.com
Perminder Sethi	Manager	T: 0113 200 2547 E: Perminder.Sethi@uk.gt.com
Linos Williams	In-Charge Auditor	T: 0117 305 7754 E: Linos.Williams@uk.gt.com
Rhys Jenkins	Assistant	T: 029 203 47588 E: Rhys.Jenkins@uk.gt.com

Appendix B. Action plan

Rec No.	Recommendation	Priority	Management Comments	Implementation date and responsibility
1	Management should consider implementing a process to review user access to the COA eFinancials application on a regular basis to ensure access is appropriate based on job functions.	Low	Agreed – The Assistant Accountants already action all changes, which we are informed of via the starters and leavers forms and work has been done to remove historic errors from the system. However, Our Systems Accountant has been asked to implement these reviews. Initially we will do this on a six monthly basis, checking with Heads of Service. We will also implement for Ash and PARIS.	Corporate Finance Manager September 2011
2	The Council should consider implementing an intrusion detection or prevention system. Given the cost implications, the Council could consider a joint procurement option with another council, which could be shared through CoCo connect to share the costs.	Low	This has been considered by the Council but there are currently no plans to procure an intrusion detection system (IDS) due to the significant cost implications. The Council will continue to pursue any opportunities for a joint procurement option. We are currently working on a protective monitoring solution in partnership with other authorities which may provide a part solution in the interim.	Head of IT Ongoing
3	Officers need to recalculate IFRS values for closing 2009-10 and opening 2010-11 figures as soon as possible.	High	Agreed – the final accounts process is being implemented and the work required for 2009-10 is being undertaken alongside the closure of 2010-11	Corporate Finance Manager June 2011
4	A detailed review of all of the notes to the accounts should be undertaken prior to the accounts being submitted to audit as this is the first year the accounts have been prepared under IFRS.	High	Agreed – the template for the new accounts has already been set up and amendments to the notes have been made in line with IFRS	Corporate Finance Manager June 2011

Appendix C. Prior year Recommendations and Updates

Update in 2011	
Rec No.	Recommendation in 2009/10
1	<p>Each test carried out by Internal Audit which utilises a sampling approach should include an explanation of the reason why that approach is the most appropriate and a justification for the number of items selected for further testing.</p>
2	<p>User administrative access Management should consider the feasibility of removing powerful administrative access from operational users of COA eFinancials to ensure appropriate segregation of duties is maintained in the system. If this is not feasible, then management should consider monitoring the actions performed by the administrator accounts to ensure actions performed are appropriate and authorised.</p>
3	<p>User access reviews Management should consider implementing a process to review user access to the COA eFinancials application on a regular basis to ensure access is appropriate based on job functions.</p>
4	<p>Regular leaver listings Management should implement a review process to ensure that access has been appropriately removed by each system administrator in a timely manner.</p>
5	<p>Journal entry controls As recommended in 2008-09, the Council should introduce a requirement for independent approval of journals above pre-determined thresholds.</p>
	<p>Confirmed through detailed review of Internal Audit that explanation is provided why the sampling approach was adopted, including justification for the number of items selected.</p>
	<p>This recommendation has been implemented.</p>
	<p>This recommendation has not been implemented and has been recommended again.</p>
	<p>This recommendation has been implemented.</p>
	<p>We will undertake detailed journal work during our final accounts audit.</p>



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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 7 JUNE 2011

SCRUTINY COMMITTEE - RESOURCES 22 JUNE 2011

AIM PROPERTY MAINTENANCE OUTTURN REPORT 2010/11

1 PURPOSE OF THE REPORT

- 1.1 This is the fourth quarterly/outturn report, covering the period from January to March 2011 (but including updated figures at 21 April 2011). The outturn report details the financial position of the £7.6m programme of reactive and planned property maintenance and refurbishment at the end of financial year 2010/11 but before final closure of accounts. So it is possible that some changes to the financial position reported here may yet take place. This report covers just revenue funded housing and non-housing schemes as approved by Council for the financial year 2010/11. In some cases this programme further includes budgets for schemes rolled forward from 2009/10. Where necessary the report provides specific details on significant programme variations.

2 BACKGROUND

- 2.1 The Council approved the following:

	£	
Housing budgets		
(a) Housing Reactive Repairs	4,869,700	
(b) Housing Servicing Contracts	691,300	
(c) Housing Maintenance Works	<u>430,000</u>	£ 5,991,000
Non-housing budgets		
(d) Service Recharges	274,080	
(e) Lease Requirements	53,840	
(f) AIM Priority Programme	292,130	
(g) AIM Reactive Repairs - General	526,380	
(h) AIM Service Contracts	401,140	
(i) AIM Operational Essentials	<u>79,630</u>	£ 1,627,200
Total	<u>£ 7,618,200</u>	

- 2.2 The level of spending against the specifically monitored budgets in 2010/11 above indicates that despite overspend in several areas, overall underspend of some £1.7m (-22%) has been accrued, mainly from in the housing programme.

A copy of the full financial monitoring report is available in the Members' Room, on the Council's website or available on request.

HOUSING

- 2.4 **Housing Reactive Repairs generally – combined budget £4,869,700**

This budget is split into nine separate parts in order to better raise and monitor orders and control work and costs. As all these separate provisions are essentially for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year.

However, spending at this time indicates some overspend has arisen against the budget provision for gas equipment replacements, such overspend is more than compensated by underspend elsewhere within this combined budget.

In particular it was budgeted that a revenue contribution of £1.765m would need to be made towards financing the HRA Capital Programme. However, it is now forecast that a revenue contribution of only £1.050m will be required thereby showing underspend of £715k.

This underspend effectively arises from a significant reduction in spending in the HRA Capital Programme in 2010/11. Such reduction is mostly attributable to delays to the kitchen replacement and central heating programmes as a result of the incumbent main contractor being placed into administration. This has subsequently led to delays in both programmes due to the need to instigate a retendering process for the continuation of the work in 2011.

With reduced spending also predicted in General Maintenance and particularly Empty Property repairs, the consequent prediction at this time is that an overall underspend of some £1.25m will occur for this combined budget at year end.

2.5 Door entry Systems (maintenance) – budget £49,900

This budget is set annually for maintenance of these communal property entry systems. This budget also covers for repairs required thereto, which are difficult to predict both in terms of incidence and cost. This year the amount of repairs have meant the budget has proved insufficient for the work required. Overspend of some £6,000 has therefore occurred.

2.6 Legionella Testing – budget £10,400

This budget is set so that regular risk assessment and testing of communal water systems can be carried out in order to ensure that the health and safety of residents is protected in terms of legionella. The costs incurred this year, through having to update and carry out work to water systems to meet the requirements of the relevant approved code of practice, have exceeded its provision by some £34,000. Nevertheless this overspend has been more than compensated by savings elsewhere.

2.7 Internal Decorations Communal Areas – budget £80,000

This budget is annually set for the planned cyclical decoration to common areas of communal properties or sheltered accommodation. This budget has been overspent this year by some £30,000. This has occurred because, with costs rising, it was decided to take the opportunity now to decorate the common areas of Rennes House, which is a relatively expensive task and which could only become more expensive if delayed. Nevertheless savings, for example, in other internal decoration budgets more than compensates for overspend here.

NON-HOUSING

2.8 Fees – budget £274,080

This budget is annually set to cover the internal fees attributed to project feasibility, design, contract production, procurement, site supervision, settlement of disputes and final accounts, all in relation to the administration and completion of AIM programme. The internal fees are those calculated for the contribution made by Contracts and Direct Services and Engineering and Construction technical staff. The budget set is an estimate largely based on previous year's fee levels, so does not therefore account for the potential

variances and complexities involved in project work, which often demands more technical staff time be allocated in the forthcoming year. This year the fees associated with the work carried out exceed the budget by some £15,000 due to the relatively unforeseen and varied complexities that have arisen with projects this year.

2.9 Mill Leat Wall Repairs – budget £13,000

This budget was set to repair a council owned stone wall separating private gardens from the leat. The wall had completely collapsed in one position and was crumbling in other adjacent parts which established a potential hazard for the private occupiers. The work has been completed at a value of some £27,000. However, for transparency, whilst the full cost of the repairs have been set against the budget, bringing a £14,000 overspend, provision was arranged such as to negate this overspend by using £9,000 from contingency funds and through receiving a contribution of £5,000 from the Countryside Services operational budget. Savings in reactive budgets more than compensate for overspend here.

2.10 Non-Housing Reactive Repairs – combined budget £526,380

This budget is split into twelve separate parts in order to better raise and monitor orders and control work and costs. As all these separate provisions are for works of a reactive nature it is difficult to predict the extent or pattern of likely expenditure in the year. However, whilst spending indicates some overspend has arisen against the budget provision for Environmental Health and Canal Special Works repairs, such overspend is more than compensated by underspend elsewhere within this combined budget.

2.11 Canal Operational Essential Works – budget £24,440

This budget is set each year to finance works of a minor repair and replacement nature in order to maintain the canal services operated for customers. This year the cost of repairs and other financial demands on the service have meant overspend of some £19,000 has occurred. Nevertheless, as above, this overspend can be absorbed by anticipated savings elsewhere in non-housing budgets

3 RECOMMENDED

- (1) that the outturn financial position of the £7.6m programme of reactive and planned property maintenance and refurbishment for 2010/11, as detailed above be noted.

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

COMMUNITY & ENVIRONMENT DIRECTORATE

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

None

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 22 JUNE 2011

ANNUAL RESULTS OF PERFORMANCE MONITORING 2010/11

1. PURPOSE OF REPORT

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

2. BACKGROUND

- 2.1. Performance indicators are used to measure progress against the Council's strategic objectives. Regular monitoring ensures that the Council is on track to meet its targets. It also assures that remedial action is taken where necessary.
- 2.2. Local indicators are chosen by the Council to reflect specific priorities and to provide useful management information. In October 2007, the Government published a set of 198 National Indicators (NIs) which replaced all previous indicators. The Coalition Government has subsequently removed the requirement to report on many of the NIs.
- 2.3. Members play an important role in reviewing performance and ensuring data quality. The attached tables contain figures for those national and local indicators that relate to services supplied by the Corporate Services Directorate except where they relate to Council-wide indicators. Commentary is provided on the results to give context and to explain any variance from targets and any remedial action taken.

3. PERFORMANCE OVERVIEW

- 3.1 Of the 23 indicators collected by the Corporate Services Directorate, 5 are below their annual target, 7 are on target and 11 are above target. 11 of these indicators have performed worse in the year 2010/11 compared with the year 2009/10. 1 indicator has remained the same and 9 indicators have improved. 2 indicators could not be compared with 2010/11.

4. RECOMMENDATION

- 4.1. That Scrutiny Committee Resources considers the report and identify where further information is needed on any indicators.

DIRECTOR CORPORATE SERVICES

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

Background papers used in compiling the report:

None







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Year End Performance Summary 2010/11

How to interpret the performance report

Performance is shown as a comparison to the year end result for the previous year. A tolerance is set for each indicator, allowing performance to be shown as on target even if it is below target by 10 percent.

The following symbols are used.

-  The green star shows that performance is better than target
-  The blue circle shows that performance is on target, within the tolerance
-  The red triangle warns that performance is below target by more than 10%
-  The green tick indicates that the year end figure for 2010/11 is better than the year end figure for 2009/10
-  The black arrow indicates that there is no change between the half year figure for 2010/11 and 2009/10
-  The red cross indicates that the year end figure for 2010/11 is worse than the year end figure for 2009/10



Performance Summary							n/a
Corporate Services	11	7	5	9	1	11	2*

*Includes two PIs which cannot be compared against 2009/10 year end figure

Cumulative figure for the year to date

Symbol to show if indicator is on target











Symbol to show if indicator is above or below 09/10 figure

Performance Indicator	Service	Year End 09/10	Year End 10/11	Target 10/11	Performance 10/11	Compared to 09/10	Target 11/12	Target 12/13	Commentary
BV010 % National Non Domestic Rates collected	Treasury	98.05	98.54	98.5			99	99	

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SO4: Maximise the potential of all our citizens by tackling social disadvantage and deprivation										
Performance Indicator	Service	Year End 09/10	Year End 10/11	Target 10/11	Performance 10/11	Compared to 09/10	Target 11/12	Target 12/13	Commentary	
BV011a Percentage of top 5% earners who are women	Human Resources	22.64	26	29			29	29	Overall average employment numbers have reduced with little turnover.	
BV011b Percentage of top 5% Earners from black or minority ethnic background	Human Resources	3.77	6	4			4	4	Overall average employment numbers have reduced with little turnover.	
BV011c Percentage of top 5% Earners with a disability	Human Resources	3.77	2	2			2	2	Overall average employment numbers have reduced with little turnover.	
BV016a % Employees with a disability	Human Resources	3.02	2.66	5		n/a	5	5	As is the case for all PIs relating to staff numbers there has been a small decline in total establishment which has affected the overall proportion. Working with Living Options and Mindful Employers has supported our commitment to securing employment for people with disability.	
BV017a % Employees from ethnic minorities	Human Resources	1.42	1.83	2		n/a	2	2	Overall average employment numbers have reduced with little turnover.	
SO6: Have strong and clear governance arrangements that enable the communities of Exeter to influence and help shape decisions about their locality and the city										
Performance Indicator	Service	Year End 09/10	Year End 10/11	Target 10/11	Performance 10/11	Compared to 09/10	Target 11/12	Target 12/13	Commentary	
LPI CC1 % Dwellings which have returned voting registration form (excluding voids)	Electoral Services	95	93	95			95	95	Without the impetus of a Parliamentary election there may have been less interest from the electorate, and a significant number of void properties (5,747) was recorded.	

SO7: Use resources effectively & provide high performing, value for money services that focus on customer needs									
Performance Indicator	Service	Year End 09/10	Year End 10/11	Target 10/11	Performance 10/11	Compared to 09/10	Target 11/12	Target 12/13	Commentary
NI181 Time taken to process new claims & change of circumstance for housing & council tax benefit	Treasury	6.62	8.85	11			10.5	10	Caseload continues to increase nearly 5% year on year.
BV008 % Invoices paid within 30 days	Treasury	95.89	94.36	96.5			97	97.5	Yearly performance was 2.14% below target. However, performance in last quarter of year was a significant improvement at 96.21% and currently stands at over 98%
BV009 % Council Tax collected	Treasury	97.63	97.5	97.5			97.7	98	
BV010 % National Non Domestic Rates collected	Treasury	98.05	98.54	98.5			99	99	
BV076d No. of housing benefit prosecutions & sanctions, per yr, per 1000	Treasury	6.25	6.79	6			6	6	
BV079bi % Housing Benefit Recovered: Overpayment	Treasury	83.46	89.98	85			85	85	
LPI TR1 % Return on financial investments against benchmark	Treasury	274.42	172.09	100			100	100	
BV012 Days / shifts lost to sickness	Human Resources	10	8.63	9			9	9	New procedure and more proactive interventions have resulted in a marked improvement in sickness absence.
LPI HR2 % Employees receiving annual appraisal	Human Resources	98	97	100			100	100	Re-structure changes have impacted on timing for appraisals.
LPI IT2 % Helpdesk calls responded to within agreed timescale	IT	95.87	95.99	100			100	100	
LPI IT3 Percentage availability of ICT service	IT	99.99	99.79	99.9			99.9	99.9	Availability affected by 11 hours planned maintenance on the financial system, 1 further hour resolving a fault and an issue with the Intranet which was resolved in 15 mins.
LPI IA3 Compliance with the CIPFA Code of Practice for Internal Audit in local government.	Audit	97.5	97.5	98.5			99	100	Remains the same as last year as a separate audit committee not established therefore 100% not attained.

SO8: Promote an extremely positive image & reputation & ensure high levels of customer satisfaction									
Performance Indicator	Service	Year End 09/10	Year End 10/11	Target 10/11	Performance 10/11	Compared to 09/10	Target 11/12	Target 12/13	Commentary
LPI CC2 % Customers who were seen within 10 minutes	Corporate Customer Services	54.84	59.09	85			85	85	Due to a reduction in staff numbers customers are having to wait longer. However, the facility for customers to pay bills at Customer First has been withdrawn and Pay Point is being promoted as this is a more efficient way to make payments. This means staff will have more capacity to deal with customer queries.
LPI CC3 % External phone calls answered in 6 rings	Corporate Customer Services	90.6	92.13	90			90	90	
LPI CC6 % Customers who received prompt service and did not have to wait long	Corporate Customer Services	83	81	80			80	80	
LPI CC7 % Customers who thought that the advisor/information was helpful	Corporate Customer Services	91.35	90.55	90			90	90	
LPI CC8 % Customers whose query was resolved	Corporate Customer Services	84.53	81.5	80			80	80	

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Agenda Item 10

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 22 JUNE 2011

EXECUTIVE
5 JULY 2011

COUNCIL
19 JULY 2011

CAPITAL MONITORING 2010/11 AND REVISED CAPITAL PROGRAMME FOR 2011/12 AND FUTURE YEARS

1. PURPOSE OF THE REPORT

- 1.1 To advise members of the overall financial performance of the Council for the 2010/11 financial year, in respect of the annual capital programme.
- 1.2 To seek approval of the 2011/12 revised capital programme, including commitments carried forward from 2010/11.

2. REVISIONS TO THE CAPITAL PROGRAMME

- 2.1 The progress of the annual capital programme was last reported to Scrutiny Committee – Resources on 23 March 2011. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/funding
Capital Programme, as at 23 March 2011	28,033,690	
Disabled Facility Grants	(198,330)	Approved by Executive 12 April 2011
Disabled Facility Grants	3,470	Late additional allocation / grant
Energy Conservation	4,100	External funding contributions
Topsham Ferry	20,000	Contribution from DCC
National Cycle Network	84,880	Contributions from DCC
Private Sector Renewals	27,010	Grant clawback income
Wessex Loan scheme	27,170	Clawback income
Revised Capital Programme	28,001,990	

3. PERFORMANCE (Appendix 1)

- 3.1 Capital expenditure in the year amounted to £22,335,187, a reduction of £5,666,803 on the planned figure of £28,001,990.

3.2 The actual expenditure during 2010/11 represents 79.8% of the total approved for the revised Capital Programme, which means £6.137 million will need to be carried forward to be spent in future years, as indicated in Appendix 1.

3.3 In comparison with the previous financial year, spending performance has increased. During 2009/10 capital expenditure was £16,589,717, equivalent to 64.8% of the planned figure of £25,613,170.

3.4 **Capitalisation of Staff Costs**

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

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

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

- Re-development of the Royal Albert Memorial Museum
- Regeneration of the Canal Basin
- Continuation of the electronic document management system implementation and development, replacement of J Based legacy systems and the GIS Strategy
- Delivery of the kitchen and bathroom replacement programmes, rendering of flats and re-roofing of Council dwellings.

3.7 The total value of staff time charged to capital schemes for 2010/11 amounted to £750,741.

4.0 **VARIANCES AND ACHIEVEMENTS**

4.1 The main variances and achievements are as follows:

4.2.1 **Community & Environment**

Cultural City

- **Play Area Refurbishments**

The following schemes were progressed during the year:

- Completion of the lighting scheme at Pendragon Multi Use Games Area (MUGA).
- Lakeside MUGA was completed including the associated lighting scheme.
- Extensive repair and maintenance work at Flowerpot Chill Zone Skate Park which has extended the useful life of this key facility.
- The final phase of play equipment at Wyvern Park was installed, completing the facilities at the site
- Additional play equipment was provided at Bury Meadow Play Area completing this site.
- Wonford "Wild Play Area was completed, funded from Play Builder grant
- Installation of a basketball post at Arena Park

- MUGA style goal ends were provided at Harrington Lane Play Area in Pinhoe, with additional play equipment to be provided at this site in early summer 2011

- **RAMM Re-development**

Expenditure on the development during the year was £10.0 million, which was mostly required for the base build construction. These works were substantially complete, with the main contractor, BAM, handing over the majority of the building at the end of March. The fit-out contractor, Benbow, is now well into its contract which is expected to be complete towards the end of July. The Museum expects to open to the public in mid-December.

The remaining budget in 2010/11 of £1.1 million will need to be carried forward to complete the development in 2011/12.

Cared for Environment

- **Local Authority Carbon Management Programme**

The following projects were completed in the year:

- A complete upgrade of the lighting systems at King William Street Car Park, which involved remodelling of the lighting levels, the inclusion of new high frequency energy efficient T5 lighting linked into daylight & microwave sensors to provide optimum energy & daylight savings.
- Civic Centre - connection of intelligent SMART meters to BMS system, this provides data logging for all power usage and enables high usage energy areas to be identified and reduced.

- **Domestic Recycling**

The new bi-weekly collection scheme to 14,000 additional properties was completed in November 2010. The demand by residents for bins was less than anticipated resulting in a saving of £30,234. There was also a further saving of £2,614 from the annual bin replacement programme as there were sufficient bins in stock to meet demand.

Everyone has a Home

- **Social Housing Grants**

This budget provides financial support mostly to housing associations for new house-building. Though commitments have been made and project budgets allocated, these often take some time to come to fruition. A significant part of the budget also tends to remain uncommitted at times, providing flexibility when suitable new projects come forward needing support. Thus a large part of this budget frequently underspends in-year and is carried forward to the following year.

In addition, due to a delay in the Comprehensive Spending Review, the Homes and Communities Agency (HCA) was unable to allocate any monies to new schemes during 2010/11. Thus the Council was unable to fund any new joint schemes with housing associations but it is expected negotiations will resume shortly on schemes in the pipeline with the results known in September 2011.

During 2010/11, use of the budget in partnership with housing associations has enabled the provision of 21 homes for social rent and extensions creating two 4-bedroomed homes. A further 17 social rented and 6 shared ownership homes (St Paul's) began construction in the last quarter, bringing the total to 41 affordable homes under construction as at 31 March 2011, 18 of which are now complete.

Further commitments could enable Sovereign Housing Association to start building 34 social rented homes on 2 Council Infill sites. The Council is also due to complete the purchase of a former church site that could support the future provision of 11 affordable homes. Firm bids to provide a further 53 homes have been made to the HCA by housing associations so further opportunities exist in which to invest the Council's finances.

Budget carry forward of £1.112 million is requested, which will provide a total budget in 2011/12 for social housing grants of £5.051 million. Of these monies, £2.6m is already either committed or under negotiation for schemes, leaving up to £2.4m available for further schemes. These monies will be available for allocation during the forthcoming HCA negotiations and in later rounds.

4.2.2 Economy & Development

Accessible City

- **National Cycle Network**

This programme continues with DCC funding the full costs. Schemes recently completed include links from Exe Estuary Trail to Exminster, King George V Playing Fields, and the footpath link from Topsham Road to Mill Yard. A cycle link from Pinn Lane to Pinhoe Road is currently being designed.

- **King William Street Car Park Refurbishment**

The car park refurbishment was mostly completed in 2010/11 with some finishing works in 2011/12 requiring budget carry forward. This part of the scheme will be completed under budget. Works to Sidwell Street will be implemented towards the end of 2011/12.

Cultural City

- **Corn Exchange Improvements**

The toilet facilities have now been refurbished and the remaining budget may well be required to address ongoing water flow problems.

Cared for Environment

- **City Centre Enhancements**

As Members are aware, this is a rolling programme of enhancements. Works to Holloway St Mural were completed in 2010/11 and a contribution made to DCC for materials for Northernhay Gardens improvements, which will be completed in 2011/12. Other works are to be implemented in 2011/12 (Gandy Street, Northernhay Gate, Rougemont Gardens access, Sidwell Street).

- **Surface Water Early Actions EA Scheme**

This scheme which is being funded by the Environment agency was to implement a flood defence scheme at Church Hill, Pinhoe. The scheme was being undertaken over private land and after surveys, computer modelling, and design work was completed, there was a very late change of mind by the landowner and the scheme has had to be aborted. The Environment Agency has however agreed to fund the costs incurred on the basis that the scheme could be resurrected at some future point.

Prosperous City

- **Canal Basin and Quayside**

The new road spur and car park / boat store has been completed and is open for use. The final stage of the fibre optic link to Exton Road has also been completed. The new developer of the Old Electricity Building has commenced the refurbishment of the building and discussions with Sutton Harbour regarding the delivery of the remaining build / refurbishment schemes are ongoing.

- **Science Park**

The 2010/11 capital budget included a sum of £818,700 for the Council's contribution towards this development. £761,730 of the budget will require to be carried forward as the anticipated arrangements for the Science Park Company to draw down the funding have been delayed by legal technicalities related to State Aid. Infrastructure works are progressing well.

4.2.3 Corporate Services

Electronic City

The majority of the 2010/11 capital programme was complete by 31 March with savings achieved on some schemes. Carry forward is required mainly for the following two projects:

- **Geographical Information (GIS) Systems**

The procurement of a GIS management system will span 2010/11 and 2011/12 to allow time for the appropriate project and financial controls to be put in place. The final cost is now anticipated to be within the budget carry forward requested of £60,000 which produces a saving in 2010/11 of £7,952.

- **Authentication Module**

This budget will need to be carried forward as the Council is still awaiting advice on appropriate technologies to enable authentication/security systems for the Council's online systems.

Excellence in Public Services

- **Capitalised Redundancy Costs**

Unbudgeted expenditure was incurred of £379,709 for the cost of redundancies which arose from staff restructuring. Approval to capitalise this cost was received from DCLG in the form of a 'Capitalisation Direction'.

- **Icelandic Investments Impairment**

A provision of £500,380 has been made in the accounts for the impairment of the Council's investment in Icelandic banks. DCLG has approved the capitalisation of this charge. Further details are contained within the Treasury Management report which is included elsewhere on the Committee's agenda.

4.2.4 Council House Building Programme – Phase 1

- **Sivell Place (Rowan House)**

Rowan House was completed on 16 December 2010; all three new homes were let on 20 December 2010. The final air-tests met the standards required for Passiv-Haus certification and the accreditation has now been received.

The final account is currently being calculated and is expected to remain within the contract sum.

- **Merlin Crescent (Knights Place)**

The main contractor experienced delays due to bad weather; the freezing temperatures and snow during December 2010 and the driving rain in the New Year. This led to a re-programming of the remainder of the build and the revised completion date is now early June 2011. The Homes & Communities Agency have been made aware of the revised date.

Contract costs remain contained within the contract sum. The development is on target to be delivered to Passiv-Haus accreditation standards, and air tests undertaken so far this year demonstrate that the required standards are being met.

When completed, Knights Place will provide 18 new 1 & 2 bedroom homes for social rent.

4.2.5 Housing Revenue Account

Everyone Has a Home

- **Sheltered Accommodation**

The internal refurbishment of the flats and lift installation at Amersham Court has been completed. The external refurbishment of the blocks is currently being undertaken and will be complete in July 2011.

- **Defective Properties – British Steel**

The remaining 10 British Steel non-traditional properties have been externally insulated/rendered, including encapsulation of fascias /soffits, new PVCu gutters/downpipes any decorations where required.

- **Rendering of Dwellings**

All blocks of flats programmed to be re-rendered have been completed (Darwin Court, 54-56B Merlin Crescent, 30-32B, 45-51B, 46-48B Lloyds Crescent).

- **Programmed Re-roofing**

All 57 properties programmed to be re-roofed have been completed (34 metal sheet roofs in Walpole Close with remaining being slate roofs in Burnthouse Lane).

- **Plastic Windows and Doors**

26 properties in Bartholomew St West, 5 in John Levers Way and 4 in Okehampton St were indentified as requiring PVCu replacement windows as they were the last remaining housing stock that were single glazed.

- **Kitchen Replacements**

72 out of 164 planned replacement kitchens were completed due to the existing contractor going into administration shortly after starting a new contract in July. A temporary contractor was appointed in December until new a contract could be tendered.

- **Bathroom Replacements**

34 out of 59 planned replacement bathrooms were completed due to the existing contractor going into administration shortly after starting a new contract in July. A temporary contractor was appointed in December until a new contract could be tendered.

- **Other Works**

The following additional works were indentified and completed;

- Underpinning works to 30 Sycamore Close
- Re-roofing of flat roofs to 141-147 Vaughan Rd and 1-4C Prospect Place
- Replacement bin store screens to blocks of flats in Thornberry Avenue
- Re-rendering of 87-97b Merlin Crescent, this block was brought forward in the programme because of the new build works at Knights Place.

- **Programmed Electrical Re-wiring**

230 properties required electrical remedial repairs. (52 of which were rewires).

- **Central Heating Programme**

284 out of 392 planned Gas Central Heating installs were completed. The target installs was not achieved due to a slow start up from the new incoming contractor.

5.0 CAPITAL AND PROJECT PROGRAMME 2011/12 (Appendix 2)

5.1 The revised Capital Programme for 2011/12, after taking into account the carried forward requirements from 2010/11, as well as additional approvals and other changes, now totals £21,836,950.

5.2 In addition to adding the carry forwards from 2010/11, the 2011/12 approved budget has also been increased for the following changes:

	£
Community & Environment	
• Disabled Facility Grants - additional grant funding	9,000
• Private Sector Renewals – grant clawback income	100,000
Total Addition	109,000

5.3 The changes to the 2011/12 budget can be summarised as:

	£
Approved Budget	15,590,640
Carry Forwards from 2010/11	6,137,310
Other changes	109,000
Revised Programme 2011/12	21,836,950

6.0 RECOMMENDED

It is recommended that Scrutiny Committee – Resources notes and Council approves:

6.1 The overall financial position for the 2010/11 annual capital programme.

6.2 That the amendments to the Council’s annual capital programme for 2011/12.

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

CAPITAL AND PROJECT MONITORING TO 31 MARCH 2011

	Lead Officer	2010/11 Revised Capital Programme	2010/11 Spend	2010/11 Budget to be Carried Forward to 2011/12	2010/11 Programme Variances Over / Under ()
		£	£	£	£
COMMUNITY & ENVIRONMENT					
ACCESSIBLE CITY					
Topsham Ferry to Carry Bikes		20,000	16,907		(3,093)
Riverside Valley Park Enhancement	PM	27,360	33,227		5,867
CULTURAL CITY					
Playing Fields General Improvements	PM	28,680	30,045		1,365
Bromhams Farm Changing Rooms	PM	24,850	0	14,960	(9,890)
Play Area Refurbishments	AC	147,910	147,968	(360)	(302)
Sports Facilities Refurbishment	AC	129,880	0	129,880	0
Parks Improvements	PM	11,480	20,795	0	9,315
Leisure Management Contract	AC	65,550	5,871	59,680	1
Exwick Community Centre	AC	29,340	26,941	2,400	1
RAMM Re-development	AC	11,135,850	10,033,040	1,102,810	0
RAMM Off Site Store	AC	0	292	(290)	2
CARED FOR ENVIRONMENT					
Home Recycling Scheme	RN	64,790	62,176		(2,614)
Public Toilet Refurbishment	PM	14,990	14,004	990	4
Local Authority Carbon Management Programme	PM	216,610	187,481	29,130	1
Improvements to Cemetery Roads & Pathways	PM	18,510	14,373	4,140	3
Cemeteries & Churches Storage Improvements	PM	1,540	7,424	(5,880)	4
Midi Recycling Banks	RN	12,600	9,611		(2,989)
Upgrade of Turf Sewage Treatment Plant	AC	10,000	355	9,650	5
General Open Space Improvements	PM	12,000	3,998	8,330	328
Domestic Recycling Review	RN	176,000	145,766		(30,234)

CAPITAL AND PROJECT MONITORING TO 31 MARCH 2011

	Lead Officer	2010/11 Revised Capital Programme	2010/11 Spend	2010/11 Budget to be Carried Forward to 2011/12	2010/11 Programme Variances Over / Under ()
		£	£	£	£
EXCELLENCE IN PUBLIC SERVICES					
Vehicle Replacement Programme	PM	473,000	337,365	118,110	(17,525)
Soil Erosion at Clifton Hill	AC	85,000	81,755		(3,245)
Replacement of Homecall Equipment	RN	3,350	2,424	930	4
New Technology for Cleansing	RN	196,790	88,751	108,040	1
Higher Cemetery New Storage Yard & Buildings	PM	670	2,038		1,368
Oakwood House	PM	3,860	3,857		(3)
Belle Isle Nursery - Various Improvements	PM	11,230	10,521		(709)
Replacement of 'Tractor Sheds'	PM	13,360	12,958		(402)
HEALTHY & ACTIVE PEOPLE					
Disabled Facility Grants	RN	392,610	361,285	31,330	5
EVERYONE HAS A HOME					
Warm Up Exeter / PLEA Scheme	RN	285,590	270,049	15,540	(1)
Wessex Loan Scheme	RN	1,001,540	351,090	662,120	11,670
ExtraLet Plus	LB	100,000	12,420	87,580	0
Social Housing Grants	LB	1,366,980	254,140	1,112,840	0
St Loyes Design Fees	LB	221,130	100,844	120,290	4
Private Sector Renewal Scheme	RN	164,080	164,081		1
Development of General Fund Housing Land	LB	1,850	700	1,150	0
PSL Improvement Programme	LB	87,300	56,051	31,250	1
Renovation Grants	RN	150,120	81,672	56,780	(11,668)
SAFE CITY					
Replace Digital Recording Equipment at Control Centre	RN	16,000	15,549		(451)
CCTV Consultancy in Respect of Enhancements	RN	3,000	(1,500)		(4,500)
COMMUNITY & ENVIRONMENT TOTAL		16,725,400	12,966,324	3,701,400	(57,676)

CAPITAL AND PROJECT MONITORING TO 31 MARCH 2011

	Lead Officer	2010/11 Revised Capital Programme	2010/11 Spend	2010/11 Budget to be Carried Forward to 2011/12	2010/11 Programme Variances Over / Under ()	£	£	£
ECONOMY & DEVELOPMENT								
ACCESSIBLE CITY								
National Cycle Network	DH	322,250	300,895	21,360	5			
Signage / Pedestrian Interpretation	RS	13,340	11,737	1,600	(3)			
Implementation of Council Walking Strategy	DH	13,750	14,827		1,077			
Refurbish Broadwalk House Car Park	RC	80	82		2			
Well Oak Footpath / Cycleway	RS	130	130		0			
King William St Car Park Refurbishment	RC	256,400	231,890	18,300	(6,210)			
CULTURAL CITY								
18 North Street Panelling	RS	2,720	0	2,720	0			
Corn Exchange Enhancements	MC	185,010	177,457	7,550	(3)			
Corn Exchange - Haystack Lantern	PM	49,080	31,842	17,240	2			
Floodlighting	RS	1,120	0	1,120	0			
CARED FOR ENVIRONMENT								
City Centre Enhancements	JR	270,480	103,260	167,220	0			
Contribution to Skypark CHP Plant	KH	100,000	100,000		0			
Surface Water Early Actions EA Scheme	DH	100,000	35,054		(64,946)			
Mincinglake / Northbrook Study	DH	120,000	76,273	43,730	3			
Ibstock Environmental Improvements	MC	3,240	0	3,240	0			
Planting Improvements in Riverside Valley Park	RS	14,250	0	14,250	0			
Custom House		0	(34)		(34)			
LEARNING CITY								
Improvements to Quay House Visitor Centre	RB	41,480	39,474	2,010	4			
PROSPEROUS CITY								
Basin / Quayside Redevelopment	MC	222,930	264,967	(42,040)	(3)			
Science Park	RB	818,700	56,970	761,730	0			

CAPITAL AND PROJECT MONITORING TO 31 MARCH 2011

	Lead Officer	2010/11 Revised Capital Programme	2010/11 Spend	2010/11 Budget to be Carried Forward to 2011/12	2010/11 Programme Variances Over / Under ()
		£	£	£	£
SAFE CITY					
CCTV at Haven Road CP & Boat Storage	DH	0	(2,179)		(2,179)
Security Measures for Riverside Valley Park	DH	3,250	681	2,570	1
ECONOMY & DEVELOPMENT		2,538,210	1,443,326	1,022,600	(72,284)
CORPORATE SERVICES					
ACCESSIBLE CITY					
Equal Opportunities Improvements	PM	11,410	2,180	9,230	0
ELECTRONIC CITY					
Electronic Document Management	PE	56,330	47,999	8,330	(1)
Server Strategy	PE	40,000	38,287		(1,713)
FIMS Replacement	AS	11,750	6,618	5,130	(2)
Environmental Health System Upgrade	RN	11,350	6,761	4,590	1
Capita Systems Infrastructure	PE	30,000	30,107		107
Sun Platform Servers	PE	41,950	41,030		(920)
J Based Legacy Systems	PE	50,470	50,467		(3)
IT Development Time	PE	8,210	0		(8,210)
Housing Repairs Transfer	PE	2,540	2,539		(1)
Authentication Module	PE	31,000	0	31,000	0
PC Replacement Programme	PE	100,000	95,897	4,100	(3)
Corporate Network Infrastructure	PE	30,000	29,430		(570)
GIS Strategy	PE	85,250	17,298	60,000	(7,952)
Intranet & Internet	PE	10,000	1,058	3,000	(5,942)
EXCELLENCE IN PUBLIC SERVICES					
Civic Centre Communal Area Refurbishment	JS	102,340	105,647		3,307
Committee Room Audio Visual Equipment	JS		154		154
Capitalised Staff Costs	AS	117,360	0		(117,360)
Capitalised Redundancy Costs	AS	0	379,709		379,709
Icelandic Investments Impairment	AS	0	500,380		500,380
CORPORATE SERVICES TOTAL		739,960	1,355,561	125,380	740,981

CAPITAL AND PROJECT MONITORING TO 31 MARCH 2011

	Lead Officer	2010/11 Revised Capital Programme	2010/11 Spend	2010/11 Budget to be Carried Forward to 2011/12	2010/11 Programme Variances Over / Under ()	£	£	£
HRA CAPITAL								
EVERYONE HAS A HOME								
Sheltered Accommodation	LB	439,860	336,324	103,540	4			
Adaptations	LB	455,360	458,764		3,404			
Defective Properties - British Steel	LB	166,510	179,374		12,864			
Rendering of Council Dwellings	LB	398,820	467,620		68,800			
MRA Fees	LB	17,630	0		(17,630)			
Communal Door Entry System	LB	8,570	8,547		(23)			
Environmental Improvements - General	LB	38,390	38,941		551			
Programmed Re-roofing	LB	275,900	276,026		126			
Housing Condition Survey	LB	66,990	65,367		(1,623)			
Energy Conservation	LB	214,290	195,205		(19,085)			
Asbestos Survey	LB	107,000	121,166		14,166			
Council House Extensions	LB	67,770	37,066	30,700	(4)			
Plastic Windows & Doors	LB	108,040	96,409		(11,631)			
Leypark Road Structural Defects	LB	1,340	1,640		300			
Kitchen Replacements	LB	591,920	270,372	200,000	(121,548)			
Asbestos Removal Works	LB	142,010	192,223		50,213			
Bathroom Replacements - Programmed	LB	180,920	84,234	96,690	4			
Weirfield House Refurbishment	LB	19,270	12,201		(7,069)			
Other Works	LB	283,240	215,541	40,000	(27,699)			
Repainting	LB	147,560	60,955		(86,605)			
Fire Prevention Work	LB	222,200	69,782	152,420	2			
Garages at Shakespear Road	LB	0	813		813			
Programmed Electrical Re-wiring	LB	464,080	352,790	80,050	(31,240)			
Programmed Housing Electrical Testing	LB	10,050	41,285		31,235			
Central Heating Programme	LB	809,960	769,515	40,450	5			
HOUSING REVENUE ACCOUNT TOTAL					5,237,680	4,352,160	743,850	(141,670)

CAPITAL AND PROJECT MONITORING TO 31 MARCH 2011

Lead Officer	2010/11 Revised Capital Programme	2010/11 Spend	2010/11 Budget to be Carried Forward to 2011/12	2010/11 Programme Variances Over / Under ()
	£	£	£	£
COUNCIL HOUSEBUILDING PROGRAMME				
COUNCIL'S OWN BUILD				
Phase 1 - Merlin Crescent / Siveall Place	LB	2,730,280	2,186,203	544,080
Phase 2	LB	30,460	31,613	1,153
COUNCIL HOUSEBUILDING TOTAL		2,760,740	2,217,816	544,080
CAPITAL AND PROJECT EXPENDITURE TOTAL		28,001,990	22,335,187	6,137,310
Lead Officer Key Table				
Head of Leisure and Museums	AC			
Head of Treasury Services	AS			
Engineering and Construction Manager	DH			
Acting Head of Estates Services	MC			
Head of Environmental Health Services	RN			
Director of Economy & Development	KH			
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	LB			

REVISED CAPITAL PROGRAMME

	Lead Officer	2010/11 Budget to be Carried Forward to 2011/12	2011/12 Approved Capital Programme	2011/12 Revised Capital Programme	2012/13 Approved Capital Programme	2013/14 Approved Capital Programme	Future Years
		£	£	£	£	£	£
COMMUNITY & ENVIRONMENT							
ACCESSIBLE CITY							
STRONG COMMUNITIES CITY							
CULTURAL CITY							
	PM		3,740	3,740			
Playing Fields General Improvements	PM	14,960		14,960			
Bromhams Farm Changing Rooms	AC	(360)	154,220	153,860			
Play Area Refurbishments	AC	129,880	50,000	179,880			
Sports Facilities Refurbishment	PM		210,000	210,000			
Parks Improvements	PM		176,800	176,800			
Contribution to RAMM Re HLF Parks Bid	AC	59,680		59,680			
Leisure Management Contract	AC	2,400	18,260	20,660			
Exwick Community Centre	AC	1,102,810	552,800	1,655,610			
RAMM Re-development	AC		41,030	40,740			
RAMM Off Site Store	PM	(290)	20,000	20,000			
Cowick Barton Changing Rooms - Paving	PM		8,000	8,000			
Cowick Barton Changing Rooms - External Walls	PM		60,000	60,000			
Neighbourhood Parks & Local Open Spaces	PM		40,000	40,000			
Allotments - Toilet Replacement	MC		47,000	47,000			
St Katherine's Priory Re-roofing							
CARED FOR ENVIRONMENT							
Home Recycling Scheme	RN		60,000	60,000	60,000	60,000	
Public Toilet Refurbishment	PM	990		990			
Local Authority Carbon Management Programme	PM	29,130	100,000	129,130	100,000		
Improvements to Cemetery Roads & Pathways	PM	4,140	10,000	14,140	10,000		
Cemeteries & Churches Storage Improvements	PM	(5,880)	39,800	33,920			
Midi Recycling Banks	RN		10,000	10,000	10,000	10,000	
Upgrade of Turf Sewage Treatment Plant	AC	9,650		9,650			
General Open Space Improvements	PM	8,330		8,330			
Green Waste Shredders	PM		36,000	36,000			
EXCELLENCE IN PUBLIC SERVICES							
Vehicle Replacement Programme	PM	118,110	300,000	418,110			
Replacement of Homecall Equipment	RN	930		930			
New Technology for Cleansing	RN	108,040		108,040			
Replacement of Franking Machine	JS		17,000	17,000			

REVISED CAPITAL PROGRAMME

	Lead Officer	2010/11 Budget to be Carried Forward to 2011/12	2011/12 Approved Capital Programme	2011/12 Revised Capital Programme	2012/13 Approved Capital Programme	2013/14 Approved Capital Programme	Future Years
		£	£	£	£	£	£
Belle Isle Depot Secure Storage	MC		125,000	125,000			
HEALTHY & ACTIVE PEOPLE							
Disabled Facility Grants	RN	31,330	290,000	321,330	281,000	281,000	281,000
EVERYONE HAS A HOME							
Warm Up Exeter / PLEA Scheme	RN	15,540	250,000	265,540			
Wessex Loan Scheme	RN	662,120	75,000	737,120			
ExtraLet Plus	LB	87,580	100,000	187,580			
Social Housing Grants	LB	1,112,840	3,938,030	5,050,870			
St Loyes Design Fees	LB	120,290		120,290			
Private Sector Renewal Scheme	RN		100,000	100,000			
Development of General Fund Housing Land	LB	1,150		1,150			
PSL Improvement Programme	LB	31,250	75,000	31,250	400,000	400,000	400,000
Renovation Grants	RN	56,780		131,780			
SAFE CITY							
Replace Digital Recording Equipment at Control Centre	RN		16,000	16,000	48,000		
COMMUNITY & ENVIRONMENT TOTAL		3,701,400	6,923,680	10,625,080	909,000	751,000	681,000

REVISED CAPITAL PROGRAMME

	Lead Officer	2010/11 Budget to be Carried Forward to 2011/12	2011/12 Approved Capital Programme	2011/12 Revised Capital Programme	2012/13 Approved Capital Programme	2013/14 Approved Capital Programme	Future Years
		£	£	£	£	£	£
ECONOMY & DEVELOPMENT							
ACCESSIBLE CITY							
National Cycle Network	DH	21,360		21,360			
Signage / Pedestrian Interpretation	RS	1600	30,000	31,600			
Well Oak Footpath / Cycleway	RS		80,000	80,000			
King William St Car Park Refurbishment	RC	18,300	200,000	218,300			
CULTURAL CITY							
18 North Street Panelling	RS	2,720		2,720			
Corn Exchange Enhancements	MC	7,550		7,550			
Corn Exchange - Haystack Lantern	PM	17,240		17,240			
Floodlighting	RS	1,120		1,120			
CARED FOR ENVIRONMENT							
City Centre Enhancements	KH	167,220	240,000	407,220	200,000	200,000	
Mincinglake / Northbrook Flood Defence Study	DH	43,730	20,000	63,730			
Ibstock Environmental Improvements	MC	3,240		3,240			
Planting Improvements in Riverside Valley Park	RS	14,250		14,250			
Cowick Street Environmental Works			100,000	100,000	100,000		
LEARNING CITY							
Improvements to Quay House Visitor Centre	RB	2,010		2,010			
PROSPEROUS CITY							
Basin / Quayside Redevelopment	MC	(42,040)	691,030	648,990	536,260		
Science Park	RB	761,730		761,730			
SAFE CITY							
Security Measures for Riverside Valley Park	DH	2,570		2,570			
EXCELLENCE IN PUBLIC SERVICES							
Verney House	MC		45,000	45,000			
ECONOMY & DEVELOPMENT		1,022,600	1,406,030	2,428,630	836,260	200,000	0

REVISED CAPITAL PROGRAMME

	Lead Officer	2010/11 Budget to be Carried Forward to 2011/12	2011/12 Approved Capital Programme	2011/12 Revised Capital Programme	2012/13 Approved Capital Programme	2013/14 Approved Capital Programme	Future Years
		£	£	£	£	£	£
CORPORATE SERVICES							
ACCESSIBLE CITY							
Equal Opportunities Improvements	PM	9,230		9,230			
ELECTRONIC CITY							
Electronic Document Management	PE	8,330		8,330			
Server strategy	PE		40,000	40,000			
FIMS Replacement	AS	5,130		5,130			
Environmental Health System Upgrade	RN	4,590		4,590			
Security Compliance for GCSx & PCI DSS	PE		48,000	48,000			
Authentication Module	PE	31,000		31,000			
IT Development Time	PE		37,500	37,500			
PC Replacement Programme	PE	4,100	100,000	104,100			
Corporate Network Infrastructure	PE		30,000	30,000			
GIS Strategy	PE	60,000		60,000			
Intranet & Internet	PE	3,000		3,000			
EXCELLENCE IN PUBLIC SERVICES							
Capitalised Staff Costs	AS		261,000	261,000	261,000		
CORPORATE SERVICES TOTAL		125,380	516,500	641,880	261,000	0	0

REVISED CAPITAL PROGRAMME

	Lead Officer	2010/11 Budget to be Carried Forward to 2011/12	2011/12 Approved Capital Programme	2011/12 Revised Capital Programme	2012/13 Approved Capital Programme	2013/14 Approved Capital Programme	Future Years
		£	£	£	£	£	£
HRA CAPITAL							
EVERYONE HAS A HOME							
Sheltered Accommodation	LB	103,540		103,540			
Adaptations	LB		450,000	450,000	450,000	450,000	
Rendering of Council Dwellings	LB		260,000	260,000	260,000	260,000	
MRA Fees	LB		364,270	364,270	368,000	368,000	
Communal Door Entry System	LB		10,000	10,000	10,000	10,000	
Environmental Improvements - General	LB		25,000	25,000	25,000	25,000	
Programmed Re-roofing	LB		250,000	250,000	252,000	252,000	
Energy Conservation	LB		15,000	15,000	30,000	30,000	
Asbestos Survey	LB		100,000	100,000	100,000	100,000	
Council House Extensions	LB	30,700		30,700			
Plastic Windows & Doors	LB		20,000	20,000	20,000	20,000	
Kitchen Replacements	LB	200,000	1,300,000	1,500,000	900,000	900,000	
Asbestos Removal Works	LB		200,000	200,000	200,000	200,000	
Bathroom Replacements - Programmed	LB	96,690	350,000	446,690	600,000	600,000	
Other Works	LB	40,000	200,000	240,000			
Repointing	LB		50,000	50,000	20,000	20,000	
Fire Prevention Work	LB	152,420	250,000	402,420	200,000	200,000	
Communal Areas	LB		200,000	200,000	100,000	100,000	
Structural Repairs	LB		50,000	50,000	50,000	50,000	
Fire Alarms at Sheltered Accommodation	LB		100,000	100,000			
Replacement Concrete Canopies	LB		250,000	250,000			
Rennes House Heating Replacement	LB		200,000	200,000			
Programmed Electrical Re-wiring	LB	80,050	590,000	670,050		447,800	
Central Heating Programme	LB	40,450	1,500,000	1,540,450	447,800	976,710	
HRA TOTAL		743,850	6,734,270	7,478,120	5,009,510	5,009,510	

REVISED CAPITAL PROGRAMME

Lead Officer	2010/11 Budget to be Carried Forward to 2011/12	2011/12 Approved Capital Programme	2011/12 Revised Capital Programme	2012/13 Approved Capital Programme	2013/14 Approved Capital Programme	Future Years
	£	£	£	£	£	£
COUNCIL HOUSEBUILDING PROGRAMME						
COUNCIL'S OWN BUILD						
Merlin Crescent	544,080	119,160	663,240			
	544,080	119,160	663,240	0	0	0
CAPITAL AND PROJECT EXPENDITURE TOTAL						
	6,137,310	15,699,640	21,836,950	7,015,770	5,960,510	681,000

Lead Officer Key Table	
Head of Leisure and Museums	AC
Head of Treasury Services	AS
Engineering and Construction Manager	DH
Estates Services	MC
Head of Environmental Health Services	RN
Director of Economy and Development	KH
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	LB

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 22 JUNE 2011

EXECUTIVE
5 JULY 2011

COUNCIL
19 JULY 2011

OVERVIEW OF REVENUE BUDGET 2010/11

1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall final financial performance of the HRA & General Fund Revenue Budget for the 2010/11 financial year ended 31 March 2011.

2. HOUSING REVENUE ACCOUNT (Appendix A)

- 2.1 The final accounts show an overall increase in the HRA working balance from £2,681,729 to £3,917,868 an increase of £1,236,139 as compared with the planned reduction of £642,570.
- 2.2 There is a net underspend of £1,714,508 in operating expenditure which is primarily due to a reduction in the planned contribution to the Repairs Fund. There has also been additional income from rents and a reduction the amount of Government Subsidy to be paid. The total Revenue Contribution to Capital in 2010/11 is £500,000.
- 2.3 The Major Repairs Allowance is 'ring fenced' for capital works and amounts to £3,342,883 together with £500,000 as a Revenue Contribution to Capital, £175,916 from external funding and £331,539 of housing capital receipts. This enabled a total of £4,350,338 to be spent on works to meet the Government's Decent Home Standard.

3. GENERAL FUND (Appendix B)

- 3.1 During the financial year regular reports have been made on the estimated revenue outturn for each Scrutiny Committee. The final outturn has now been calculated and major differences from the approved annual budget are highlighted below.
- 3.2 This is the first year that the accounts have been prepared using International Financial Reporting Standards. Many of the changes required have been covered by statutory overrides from Central Government meaning that they do not impact on the Council Tax. As this is the case they have not been reported in the management accounts presented.
- 3.3 During December, the Government issued a capitalisation directive to the Council allowing us to capitalise (and not charge to revenue immediately) £380,000 of redundancy costs. This was not enough to cover all redundancy costs that the Council incurred and therefore as many redundancies as possible have been charged against this. However this means that the remaining redundancies have not been spread evenly over services and some services have been charged with their redundancy costs, whilst others have not. This has resulted in an overspend on some services, but has allowed the Council to maximise the use of the capitalisation directive.

- 3.4 There has been an upwards adjustment for IAS19 (formerly FRS17) of £496,809; this is an actuarial adjustment to reflect the cost of employing our staff in terms of pension liability and has no effect on the Council Tax.
- 3.5 If all the adjustments highlighted above for IAS19 and Capital Charges are taken into account, the Service Committees show an overall underspend of £1,083,199 against a revised budget of £17,356,360. Additionally, there is a deficit on the trading accounts of £81,865 relating to the closure of the Council's Buildings and Electrical Team. As such this is a one-off deficit.
- 3.6 In addition to Service Committee net expenditure, interest receivable and payable is credited to the account 'below the line'. The net interest paid was £181,540 more than the budget and this is discussed in the Treasury Management report elsewhere on the agenda. Interest rates remain historically low and this has had an effect on the returns available. During the year the investments held by our Investment Manager have been returned in order to reduce the amount of borrowing required by the Council. Provision of £378,902 has been made for the statutory repayment of debt.
- 3.7 Additional income has been received in the form of Area Based Grant of £60,268. The LABGI grant, which rewarded Local Authority's economic development for increases in the rateable value of commercial properties above a floor and up to a specified maximum, has been scrapped. The Area Based Grant was for the Youth Opportunity Task Force and Climate Change strategy and no longer exists from 2011-12.
- 3.8 The main Service Committee variations for the financial year are:
- 3.8.1 The actuarial calculation in respect of IAS19 has been substantially amended since the budgets were set. This has resulted in a £1.358 million variance against the service committee budgets, causing a notional overspend against the budget. This has been reversed out below the line and has no impact on the overall General Fund balance.
- Economy & Development**
- 3.8.2 Rental income for Estates Services is lower than expected and a charge of £35,000 has been made to cover the trading loss at Exeter Business Centre, however savings on employment costs and other in-year savings have resulted in an overall underspend of £93,688.
- 3.8.3 The overall income level for the Archaeological Field Unit (AFU) was down; This is due to the increasingly competitive nature of the service market and the reduced volume of activity. Additionally, redundancy costs relating to the closure of the service have been accrued within the figures. As a result, the AFU incurred a deficit of £222,924. Markets & Halls have earned substantially higher income than budgeted causing an underspend of £248,716.

Community & Environment

- 3.8.4 The new contract for management of the sports facilities came into force on 1st October 2010 which has resulted in material savings, which will continue into future years. There will however be a small negative impact on Resources Committee as a result of additional discounts arising on NNDR. The saving for the year was £434,853.
- 3.8.5 Museums have underspent their budget by £110,140 as a result of additional income, the delay in construction resulting in no payment of Business Rates being required and the proposed revenue contribution to the capital scheme not being taken.
- 3.8.6 Increased income from the sale of materials and a reduction in expenditure on freight, following active steps to reduce these costs caused a surplus of £346,620 on the Recycling budget.
- 3.8.7 Housing Advisory services incurred additional costs, in respect of serviced temporary accommodation due to a higher than inflationary increase in rental payments, backdated rental payments and the cost of procuring additional rooms to meet increasing demand. Additional costs have in respect of Shaul's Court and Glencoe along with reduced income from the ExtraLet scheme have caused an overall overspend of £255,922.

Resources

- 3.8.8 Vacancy management within support services along with other reductions have caused an underspend in support services, which have been reflected in front line service budgets.
- 3.8.9 During 2010/11, benefits of £44.5m have been paid and subsidy of £42.8m has been received. This resulted in an overall budget variance of £532k which represents 1.19% of the gross benefit expenditure. However homelessness payments above the rental subsidy cap has accounted for some £160k of this deficit.
- 3.9 At 31 March 2010 the General Fund working balance was £3,844,811 and a surplus of £348,086 has been made at 31 March 2011 leaving the current balance at £4,192,997. The minimum requirement for the General Fund working balance was approved by the Executive in February 2011 at £2 million.
- 3.9.1 There is a small requirement for supplementary budgets in 2011/12; these are identified in 3.10 below.
- 3.9.2 The Council is also faced with considerable financial challenges in the medium term particularly in respect of the significant reduction in grant as the new Government tackles the issue of reducing the national budget deficit.
- 3.10 The Council has identified at the end of the year revenue budgets that have not been spent but where a commitment is required in the following financial year. It is therefore proposed supplementary budgets totalling £147,170 and identified in Appendix C are approved in 2011/12: -
- Scrutiny Committee – Resources; £ 3,000
 - Scrutiny Committee – Economy; £107,170
 - Scrutiny Committee – Community; £ 37,000
- 3.11 Taking into account the proposed supplementary budgets above, the uncommitted General Fund working balance at 31 March 2011 is £4,045,827.

- 3.12 There has been a contribution of £70,573 from Revenue to Capital Expenditure, reflecting money received, that previously was treated as a capital receipt and the capitalisation of an asset that was charged to revenue.
- 3.13 Four new earmarked reserves are being proposed:-
- 3.13.1 Group Leaders have discussed the benefits of subjecting the Council's new organisational structure to a systematic review of procedures and practices to ensure that the new organisation is streamlined and customer focussed. The aim of the exercise is to simplify processes so that resources can be released to improve front-line services. In the next cycle of meetings the Executive will consider how this can best be achieved so it is appropriate to create an earmarked reserve for the resourcing of this work. It is proposed to set aside a sum of £175,000 for this purpose.
- 3.13.2 A grant was received in the financial year which is intended to offset the income shortfall caused by not being able to charge for Personal Searches. It is proposed that this grant be transferred to an earmarked reserve to cover any potential claims for a refund.
- 3.13.3 The Devon Home Choice Partnership has made a surplus, which it is proposed will be transferred to an earmarked reserve to enable the partners to determine how to use the funds in future years.
- 3.13.4 When the budget for 2011/12 was set the grant for Homelessness was estimated in line with the previous year at £351,000. The actual grant received was £505,000. This grant is not ringfenced and the budget was not increased to reflect the additional funding. Whilst savings have been made a report to the Leader and Portfolio Holder has requested an additional £44,000 be set aside to fund support for Homelessness. It is proposed that an earmarked reserve be set aside for this purpose.
- 3.14 Additions to Earmarked Reserves totalling £354,000 have been made for specific schemes and purposes as summarised below: -
- Scrutiny Committee – Community: £98,345
 - Scrutiny Committee – Resources: £175,000
 - Scrutiny Committee – Economy: £ 80,655
- There has also been £763,949 transferred from Earmarked Reserves as follows:-
- Scrutiny Committee – Community: £194,017
 - Scrutiny Committee – Economy: £408,387
 - Reserves no longer required : £113,222
 - Contributions to Capital : £ 48,323
- 3.15 During 2010/11 there has been an overall net contribution from Earmarked Reserves of £409,949 as shown in Appendix D. This differs to the budgeted withdrawal of reserves of £487,520 because a number of reserves that had previously been set up and substantially used have had the balances taken back into General Reserves, as the commitment for which they were set aside has been completed and some additional reserves are proposed to be set up.

3.16 The movement on Earmarked Reserves and the balance at 31 March 2011 are:

	Balance at 31March 2010 £'000	Balance at 31March 2011 £'000	Movement £'000
Earmarked Reserves	1,574	1,164	(410)

4. COUNCIL TAX

4.1 As at 1 April 2010, arrears amounted to £2.363m, the movements during 2010/11 were as follows:

	£m	£m
Arrears at 1 April 2010		2.363
Add:		
2010/11 debits raised net of discounts, benefits and transitional relief	47.706	
Less:		
Payments received	(48.190)	
Refunds and change in pre-payments	616	
Write-offs	<u>(135)</u>	
Arrears at 31 March 2011		<u>£2.360</u>

4.2 Against the arrears of £2.360m, a bad and doubtful debt provision of £825,000 has been provided, calculated in accordance with the appropriate accounting guidelines.

4.3 The 'In-Year' collection rate has decreased slightly in comparison with the previous year. The collection rate for 2010/11 was 97.5% compared with 97.6% in 2009/10.

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

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

5.2 Outstanding debt at 31 March 2010 was £3.616m, by 30 September it stood at £3.126m, at 31 December 2010 it was £3.567m and at 31 March 2011 it was £3.704m. An aged debt analysis is shown below, which demonstrates that of the £3.704m debt, £1.706m is less than 30 days old. Debt over 30 days old has decreased over the quarter from £2.262m to £1.998m.

Age of Debt	March 2010	September 2010	December 2010	March 2011
Up to 29 days (current)	£1,521,683	£939,888	£1,305,734	£1,706,488
30 days – 1 Year	£963,838	£995,544	£1,112,679	£ 931,746
1 – 2 years	£400,385	£406,598	£340,405	£ 389,184
2 –3 years	£225,237	£235,441	£270,532	£ 235,297
3 – 4 years	£110,823	£141,627	£160,411	£ 154,931
4 – 5 years	£122,839	£120,569	£76,055	£ 57,900
5 + years	£271,553	£286,438	£301,442	£ 228,676
Total	£3,616,358	£3,126,105	£3,567,259	£3,704,222

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

	Outstanding debt – 31 March 2011 £
▪ Commercial rent	579,737
▪ Trade waste	119,153
▪ Service charge, ground rent and major works for leasehold flat owners	86,718
▪ Home call alarms	7,664
▪ Housing benefit overpayments*	1,081,730
▪ Engineering	44,929
▪ Markets & Halls	53,945
▪ AFU	311,193
▪ Economy & Tourism	55,411
▪ HRA	75,708
▪ General Fund Housing	146,786
▪ River & Canal	49,755

*These overpayments occur largely due to changes to claimants' circumstances resulting in a lower benefit entitlement once a reassessment is made. This figure represents about 2.6% of the total annual benefits paid and in the order of 90% of this amount is recovered.

6 CREDITOR PAYMENTS PERFORMANCE

6.1 Creditors' payments continue to be monitored in spite of the withdrawal of Statutory Performance Indicator BVPI8. The percentage paid within 30 days was 94.35% for 2010/11 compared with 95.89% for 2009/10. Yearly performance was 2.14% below the target of 96.5%. However, performance in the last quarter of the year showed a significant improvement at 96.21% and currently stands at over 98%.

7. RECOMMENDATION

It is recommended that Scrutiny Resources Committee note the report and Council notes and approves:

- 7.1 That the net transfer of £409,949 from Earmarked Reserves as detailed in paragraph 3.14 is approved.
- 7.2 That Supplementary budgets totalling £147,170 are approved as detailed in paragraph 3.10
- 7.3 That Earmarked Reserves at 31 March 2011 be noted;
- 7.4 That the Council Tax account and collection rate be noted;
- 7.5 That the outstanding sundry debt and aged debt analysis be noted;
- 7.6 That the creditor payments performance be noted;
- 7.7 By taking into account the overall financial position of the Council as set out in paragraph 3.9 above, the General Fund working balance at 31 March 2011, be approved at £4,192,897;
- 7.8 That the Housing Revenue Account working balance at 31 March 2011 is approved at £3,917,868.

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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FINAL ACCOUNTS 2010/2011

Code	Approved Annual Budget	2010/11 Outturn	Variance To Budget
	£	£	£
85A1 Management	2,825,610	2,876,268	50,658
85A3 Sundry Lands Maintenance	260,480	247,848	(12,632)
85A4 Repairs Fund Contribution	9,066,360	7,313,826	(1,752,534)
85A6 Capital Charges	0	0	0
85A8 Rents	(15,359,490)	(15,449,405)	(89,915)
85B1 Government Subsidy	4,006,520	3,837,912	(168,608)
85B2 Interest	(156,910)	(62,588)	94,322
85B4 Variance in Working Balance	(642,570)	1,236,139	1,878,709
Net Expenditure	0	0	0
Working Balance	1 April 10	31 March 2011	£ 3,917,868
	£ 2,681,729		

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**EXETER CITY COUNCIL
2010/11 REVENUE ESTIMATES - SUMMARY
as at 31 March 2011**

Revised Annual Budget £	Year End Forecast £	Variance to Budget £
13,767,210	13,423,781	(343,430)
581,180	228,624	(352,556)
5,497,330	5,867,633	370,303
0	552,470	552,470
(3,350,500)	(3,245,938)	104,562
861,140	(496,809)	(1,357,949)
17,356,360	16,329,761	(1,026,599)
(100,000)	81,540	181,540
0	81,865	81,865
(50,000)	0	50,000
0	(60,268)	(60,268)
500,000	0	(500,000)
0	70,573	70,573
324,000	378,902	54,902
18,030,360	16,882,372	(1,147,988)
(722,331)	348,086	1,070,417
(487,520)	(409,949)	77,571
16,820,509	16,820,509	0
(12,089,847)	(12,089,847)	0
4,730,662	4,730,662	0

SCRUTINY - COMMUNITY
SCRUTINY - ECONOMY
SCRUTINY - RESOURCES
add Pension Strain Payment
less Notional capital charges
IAS 19 Pension Adjustment
Service Committee Net Expenditure

Net Interest
Trading Accounts deficit
Business Growth Incentive Grant
Area Based Grant
Provision for redundancy
Revenue Contribution to Capital
Minimum Revenue Provision
General Fund Expenditure

Transfer To/From(-) Working Balance
Transfer To/From(-) Earmarked Reserves

General Fund Net Expenditure

Formula Grant
Council Tax Net Expenditure

Working Balance as at 1 April 2010 £3,844,811

2010/11 Transfers to Working Balance 348,086

Working Balance as at 31 March 2011 £4,192,897

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SUPPLEMENTARY BUDGETS 2010/11

Resources		
Grants	Balance from 2010/11	3,000
		3,000
Community and Environment		
AIM	Carry forward	37,000
		37,000
Economy & Development		
AIM	Carry forward	3,000
Transport	Maintenance of Green Circle	1,500
Economy & Tourism	Exeter Positive Steps	13,370
Economy & Tourism	Social Enterprise	25,000
Economy & Tourism	Greening Government Conference October 2011	5,000
AFU	Archiving Costs for AFU	29,300
River & Canal	Exe Estuary Review	30,000
		107,170
	Overall Total	147,170

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2010/11 Reserves Movement

	£	
Transfers from Reserves		
83A1	LABGI reserve	(1,989.00)
83A6	LABGI reserve	(14,500.00)
83B5	Planning Delivery Grant	(391,898.47)
81C3	Empty Homes reserve	(40,260.61)
81C3	Housing Market Assessment	(5,800.00)
81A1	Climate Change	(10,000.00)
81A8	Leisure Contract	(116,955.00)
81A3	Vehicle Licensing	(21,001.00)
	Contributions to Capital	(48,322.66)
	No longer required	(113,222.34)
		<u>(763,949.08)</u>
Transfers to Reserves		
81A9	Isca Bowls	10,000.00
81C2	Devon Home Choice	44,344.65
81C2	Homeless reserve	44,000.00
81A4	Local Land Charges	34,355.83
83B1	Building Control	21,996.63
83B5	Local Development Framework	24,302.67
	Structural Review reserve	175,000.00
		<u>353,999.78</u>
	Transfer to / (from) Reserves	<u>(409,949.30)</u>

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – RESOURCES 22 JUNE 2011

EXECUTIVE
5 JULY 2011

COUNCIL
19 JULY 2011

TREASURY MANAGEMENT – 2010/11

1. PURPOSE OF REPORT

- 1.1 To report the overall performance for the 2010/11 financial year and the position regarding investments and borrowings at 31 March 2011.

2. FINAL NET INTEREST POSITION

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

	Estimate	Actual	Variation
	£	£	£
Interest paid	67,000	76,349	9,349
Interest earned			
Interest from portfolio	(300,000)	(23,874)	276,126
Temporary investment interest	(40,000)	(39,923)	77
Other interest earned	(3,000)	(2,135)	865
Less			
Interest to HRA	153,000	58,068	(94,932)
Interest to s106 agreements	15,000	8,822	(6,178)
Interest to Trust Funds	8,000	4,173	(3,827)
Lord Mayors Charity	0	60	60
GF interest received	<u>(167,000)</u>	<u>5,191</u>	<u>172,191</u>
Net interest (received) / paid	<u>(100,000)</u>	<u>81,540</u>	<u>181,540</u>

- 2.2 The other interest earned relates to car loan repayments.

- 2.3 The reduction against budget has been caused by one principal factor. Please see section 3 for a detailed explanation.

3. INVESTMENT INTEREST

- 3.1 A decision has been taken to withdraw completely our investments held with Investec in order to further reduce the reliance on borrowing. The Fund was closed in February 2011 and the remaining £8 million returned to the Council. In a year when we had budgeted for a return of around 3% in line with the central advice from Investec, their return was actually 0.74% resulting in the large variation against not only the General Fund budget, but also the HRA interest budget and the amounts set aside for Trust Funds and Section 106 monies. This has had the effect of reducing our investment interest for the year but has also enabled us to reduce the amount of borrowing. It has additionally reduced our risk exposure. Any surplus funds are now short term and placed in Call Accounts (immediate access) at the Bank of Scotland and Nat West.
- 3.2 The managed cash funds have therefore reduced during the year from £9.7 million to zero as at 31 March 2011.
- 3.3 Interest of £23,874 was earned by the fund, which includes the £41,492 of unrealised losses that were not charged during 2009/10 in accordance with accounting standards. The overall rate of return for the Fund was 0.74% during 2010/11. This performance represents a 0.31% increase over the 7-day benchmark of 0.43%.
- 3.4 The closure of the Investec Fund has also resulted in a saving of £16,000 a year in management fees.
- 3.5 The £5m invested in two Icelandic banks back in late 2007, remains frozen, after the Icelandic government stepped in to ensure that the Icelandic banking system did not collapse in October 2008.
- 3.6 Guidance regarding the treatment of Icelandic investments from CIPFA for 2010/11 has recently been received along with regular updates from the LGA.

Glitnir & Landsbanki

The Reykjavik District Court issued a verdict on 1 April 2011 confirming that local authorities' claims qualified for priority under Article 112 of the Icelandic Bankruptcy legislation. This related to both Glitnir and Landsbanki and also confirmed the position in relation to interest. These decisions are being appealed to the Icelandic Supreme Court, however the current court ruling confirms the priority stance.

The District Court decisions also confirmed the position in relation to interest in the authorities' favour. Where deposits matured between 6 October 2008 and 22 April 2009, local authorities claims should be on the value of the matured deposit plus interest of at least the contractual rate on the maturity value for the period from maturity to 22 April 2009 (the decisions are contractual interest for Glitnir and 8% interest for Landsbanki). Both our deposits matured within the dates.

In respect of Glitnir, it is anticipated that payment will be made in December 2011 and assuming that priority status is maintained after the Supreme Court ruling this will be at 100%.

Landsbanki is more complex. Assuming that priority status is maintained after the Supreme Court ruling the total payment is estimated at 94.85% of the initial investment plus interest. This is likely to be received in tranches up to December 2018, with close to a quarter being repaid during 2011.

In respect of both banks this is the latest available information and is subject to change dependant mainly on the outcome of the appeal.

4. BORROWINGS

- 4.1 The Council has had to borrow temporarily for cashflow purposes throughout the year and incurred interest of £76,349 during the year. Interest rates have been very low throughout the year. At 31 March 2011 the Council had £15m of short term borrowing. The Council continues to have no long term debt.

5. FUTURE POSITION

- 5.1 As interest rates remain very low the Council will continue to use short term borrowing to manage its cashflow. Current rates for borrowing are approximately 0.80% for 6 months. Borrowing over 25 years through the PWLB has increased to around 5.20% as a result of the Government's decision to increase the gap between the interest rate on Gilts and PWLB rates to 1%.
- 5.2 The internal investment strategy has been tightly restricted to UK only banking operations meaning that it is difficult to invest at the moment. There is very little desire from HSBC and Barclays to take money for a couple of weeks and we have been using our public sector reserve with the Co-op and call accounts with the Bank of Scotland and Nat West.
- 5.3 During the year the Council will also look to make use of a money market fund. These spread the risk by investing in a wide range of instruments. The funds are also immediately available for repayment. The Council will use the fund when it has excess fund over and above its limits on its call accounts and will only use a fund that is AAA rated (the highest rating).
- 5.4 During the year the Icelandic Supreme Court should hear the appeals in respect of the two banks and the position in respect of our investments should become much clearer.

6. RECOMMENDATION

- 6.1 That Council note and approve the Treasury Management report for the 2010/11 financial year.

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 22 JUNE 2011

EXECUTIVE
5 JULY 2011

COUNCIL
19 JULY 2011

ANNUAL GOVERNANCE STATEMENT

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the proposed Annual Governance Statement that will accompany the Council's Annual Statement of Accounts for 2010/11. This Statement also incorporates the Council's Code of Corporate Governance which is published on the Council's website.

2. BACKGROUND

- 2.1 CIPFA/SOLACE has previously issued a framework and guidance on delivering governance in local government. This framework illustrates best practice for developing and maintaining a local code of governance and it recommends that authorities must be able to demonstrate that they are complying with the principles of good governance.
- 2.2 The preparation and publication of an Annual Governance Statement in accordance with CIPFA/SOLACE guidance is required to comply with Regulation 4 of the Accounts and Audit (England) Regulations 2011.
- 2.3 The Council was previously required to include the Annual Governance Statement within its published Annual Statement of Accounts. Regulation 4(4) of the Accounts and Audit (England) Regulations 2011 now provides that the Annual Governance Statement is to *accompany* the accounting statements, rather than being included with the accounting statements. The purpose of this change is to make clear that the Annual Governance Statement is not part of the statement on which the auditor's opinion is given. Local Authorities do however have discretion to decide whether it should be part of the same document as the accounting statements or be issued as a separate document. It is proposed that the Council will continue with its existing arrangements by including the Annual Governance Statement within the Annual Statement of Accounts for 2010/11.

3. ANNUAL GOVERNANCE STATEMENT

- 3.1 A draft Annual Governance Statement for inclusion in the Council's Annual Accounts for 2010/11 is attached to this report.
- 3.2 The Annual Governance Statement should include the following information:
- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control)
 - An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide
 - A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant

- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
 - the authority
 - the executive
 - the audit committee/overview and scrutiny function/risk management committee/standards committee (as appropriate)
 - internal audit
 - other explicit review/assurance mechanisms
- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

4. RECOMMENDATION

It is recommended that:

- 4.1 Scrutiny Committee Resources supports the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2010/11; and
- 4.2 Council note and approve the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2010/11.

HEAD OF TREASURY SERVICES

CHIEF EXECUTIVE

CORPORATE SERVICES DIRECTORATE

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

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

EXETER CITY COUNCIL

ANNUAL GOVERNANCE STATEMENT 2011/12

1. SCOPE OF RESPONSIBILITY

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

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled together with activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. There is an ongoing process designed to identify and prioritise risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Exeter City Council for the year ended 31 March 2011 and up to the date of approval of the Annual Statement of Accounts. The Council supports the six core principles set out in *The Good Governance Standard for Public Services (2004)* developed by the Independent Commission on Good Governance in Public Services. The following paragraphs describe the arrangements in place to meet the six core principles of effective governance.

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

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

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

- **The Exeter Vision** is the city's community strategy for the next 20 years. It was written in consultation with key partners in the city. It sets out the priorities for the city.
- The Council's **Strategic Objectives** support the themes of the Exeter Vision. They set out the priorities for the Council. They are reviewed every five years.
- The Council's **Corporate Priorities** are set annually and support the strategic objectives. They set out the priorities for the Council in the forthcoming year.
- Each service undertakes an **annual review of service**, which identifies its key priorities for the forthcoming year. They focus on outcomes and ensure that work is targeted and meaningful. Service plans are created as part of the review and these identify ways of increasing service contribution to corporate priorities such as value for money and excellent customer service.
- Each member of staff has an **Annual Personal Appraisal** where they review performance against targets and set objectives for the forthcoming year. These objectives feed into their service plan and are also grouped under the Council's strategic objectives.
- The availability of quality, timely, accurate and comprehensive performance information is critical for the Council's decision-making process. Performance indicators are used to inform decisions on the allocation of resources and the setting of priorities and targets. They are also used to compare the Council's performance with other councils and to enable external bodies and the public to scrutinise the effectiveness of the various services that are provided. The Council uses a combination of statutory, local and management indicators to monitor performance.
- Directors regularly review performance indicator results and progress against planned actions. These are also reviewed every six months by Scrutiny Committees. The Council uses integrated performance management software to help focus on managing performance as well as reporting on it. Performance information is now available to all officers and Members on a quarterly basis.
- Finally, the website and the Exeter Citizen are used to communicate performance to the public. A summary of our key achievements and overall performance is distributed to all households in Exeter.

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

- A medium-term financial plan covering both revenue and capital spend which provides a framework for the planning and monitoring of resource requirements.

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

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

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

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

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

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

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

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

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

4.7 When working in partnership the Council will ensure that:-

- Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Council
- Representatives understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.

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

5.1 To ensure that members and officers exemplify good standards of behaviour the Council has in place appropriate codes of conduct. These clearly set out the standards of conduct and

personal behaviour expected of members and officers. In particular, the codes put in place arrangements to ensure that members and officers of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

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

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

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

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

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

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

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

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

6.4 Other decisions are made by officers under delegated powers. The list of decisions made by officers in consultation with portfolio holders is maintained by Member Services, to whom completed delegated powers forms are sent. The decisions are also recorded on the Council's intranet. A record of delegated decisions in relation to staffing matters is maintained by Human Resources.

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

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

- 6.6 Internal Audit is an independent appraisal function that reviews all of the Council's activities, both financial and non-financial. Internal Audit provides a service to the whole Council in order to provide assurance on the arrangements for risk management, internal control and corporate governance, and to provide advice to support achievement of best practice.
- 6.7 Exeter City Council is committed to the effective management of risk at every level within the Council. A Risk Management Policy has been established that states the Council's objectives, approach, procedures and responsibilities. To support the policy, risk management procedures have been produced that explain how the Council's risk management process works. The procedures show the various documents used, and explain how the risk analysis form should be completed. The Council's risk management process is audited on a regular basis by its Internal Auditors using the enhanced systems based auditing approach they devised.
- 6.8 The Council maintains a corporate risk register but for reporting purposes it also maintains a summary risk register that does not include the 'low' risk ratings. Its purpose is for reporting half-yearly to the Scrutiny Committee - Resources the 'High' and 'Medium' risks, mitigating actions agreed and taken, etc. so that risk management progress can be monitored. Reports are also made to the Executive and the other two Scrutiny Committees on an annual basis.
- 6.9 Financial management processes and procedures are set out in the City Council's Financial Regulations and include the following:-
- Financial Management Responsibilities
 - Financial Planning
 - Control of Expenditure and Income
 - Banking Arrangements
 - Disposal of Assets
 - Insurance
 - Orders and Payment for Goods, Work or Services

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

- 7.1 The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well trained and competent people in effective service delivery. All new members and officers undertake an induction to familiarise them with the policies, procedures, values and aims of the Council. The Council has also signed up to the South West Charter for elected Member Development.
- 7.2 There is a Councillor Development Framework which broadly outlines the skills and knowledge required by Councillors to perform their different roles and provides an indication of how they might carry them out effectively. It is not intended to be exhaustive or prescriptive but to provide a structure for officers to develop learning & development programmes and act as a prompt for new and existing Councillors to identify areas where they need support. This support could be in the form of information, training, facilitated workshops, coaching and mentoring, or opportunities to learn from observation. The framework is designed to be flexible, so that Councillors can work with officers to identify the most effective methods to meet learning development needs.
- 7.3 The Council has also developed its own Councillors' Information Portal. This gives members access via the intranet to a wide range of information on a range of key topics.

7.4 The Council recognises that the quality of the services provided by the Council depends on the quality of its employees. The Appraisal and Development Scheme is the way in which employees and their managers can identify their training and development needs and one way in which managers can talk to their staff about their work and the work of the Council.

7.5 A full programme of training and development is available to all managers to provide them with the understanding, knowledge and skills to carry out their managerial responsibilities effectively. This is managed centrally to achieve cost savings while enhancing equality of opportunity of accessing resources.

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

8.1 As a community leader the City Council works with numerous partners to contribute to the overall quality of life in the city, but it is also concerned with providing the highest quality public services and the widest access to those services. Individual services are continuously assessing service levels and making improvements in line with legislative requirements and customer feedback.

8.2 The Council has a continuous programme of consultation and engagement with its residents and communities which informs its activity. A range of methods are employed to ensure that it hears the views of all our residents. These include:

- Wavelength - a citizens' panel which is made up of 1000 people representing all sections of the community.
- Community Forums – these give all citizens the chance to talk to the Council and partner agencies about issues that concern them.
- Surveys – used to obtain detailed feedback about services.
- Focus groups – used to obtain detailed feedback about services.
- Exhibitions and roadshows – used to launch new ideas and initiatives.

9. REVIEW OF EFFECTIVENESS

9.1 The City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and also by comments made by the external auditors and other review agencies and inspectorates.

9.2 The processes for maintaining and reviewing the effectiveness of the governance framework are: -

- Executive is responsible for considering overall financial and performance management and receives comprehensive reports throughout the year.
- Scrutiny Committee Resources monitors the overall financial performance of the Council and also discharges the functions of an audit committee including monitoring the effectiveness of risk management. Risk management reports and financial stewardship

reports are also presented to both Scrutiny Committee Economy and Scrutiny Committee Community as appropriate.

- Annual reviews of the Council's key financial and non financial systems by Internal Audit against known and evolving risks
- Cyclical reviews by Internal Audit of internal controls in operation within each service area against known and evolving risks
- Annual service planning to align service development against Strategic Objectives
- The Monitoring Officer provides assurance that the Council has complied with its statutory and regulatory obligations
- Half-yearly reports to the Council's Scrutiny Committee - Resources on the work of and recommendations made by the Internal and the External Auditors
- Annual reviews of the Council's financial accounts and records by the External Auditors leading to their opinion as published in the year-end statements
- Ongoing reviews of strategic and operational risks in each service area and the conduct of risk analysis and management in respect of major projects undertaken by the Council
- Reviews and, where appropriate, update of the Council's Financial Regulations and Standing Orders

10. SIGNIFICANT GOVERNANCE ISSUES

10.1 The following steps have been undertaken during the year to further improve our Corporate Governance Arrangements: -

- Reviewed and changed the Council's Constitution to reflect the new Strong Leader with Executive model.
- Completed an enhanced budget consultation exercise to identify spending priorities.
- Complied with the Government's request to provide financial transparency by publishing spending information over £500 online.
- Reviewed our consultation and engagement practices across the council and have developed an action plan to look at additional ways to provide more support and training to services, work more collaboratively with the community and voluntary sector, celebrate learning and best practice, and engage citizens through online media.
- Successfully completed the first stage of the South West Charter for Elected Member Development. Personal development discussions have begun with individual councillors to assist them in identifying their own development needs to enable them to fulfil their roles as councillors effectively. The Council has also formally signed up to the IDeA Supporting Councillors Declaration, confirming its commitment to follow best practice in the support offered to councillors.
- Addressed recommendations made by the Council's external auditors in their Annual Audit and Inspection Report and other reports as appropriate
- Reviewed the areas for improvement identified in the annual assurance statement by the Head of Internal Audit namely:-

Risk Management – the roll-out programme has continued to roll out risk management to each of the Council’s services in order to embed risk management throughout the Council.

Reduction in Government Funding and Cuts to Services – Highlighted the need to ensure that systems of internal control including separation of duties are not compromised by reductions in staffing resources.

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

- Review the Council’s corporate priorities following the new organisational structure.
- Revise the performance framework.
- Further development of the open data website in line with the Government’s transparency agenda.
- Address recommendations made by the Council’s external auditors.

11. CERTIFICATION

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

Signed:

Signed:

Date:

Date:

Chief Executive

Leader of the Council

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - RESOURCES 22 JUNE 2011

REVENUE FINAL ACCOUNTS 2010/11

1. PURPOSE OF REPORT

- 1.1 To advise members of the overall financial performance of Resources Committee revenue accounts for the financial year ended 31 March 2011.

2. REVENUE ACCOUNTS (Appendix A)

- 2.1 During the course of the financial year ending 31 March 2011, regular reports were made to this committee on the estimated revenue outturn.
- 2.2 This is the first year that the accounts have been prepared using International Financial Reporting Standards. Many of the changes required have been covered by statutory overrides from Central Government meaning that they do not impact on the Council Tax. As this is the case they have not been reported in the management accounts presented.
- 2.3 As in previous years a technical adjustment to the accounts for pension contributions (formerly FRS17) has been made in line with required accounting practice. Part of the change to International Accounting Standards has meant that FRS17 is now known as International Accounting Standard 19 (IAS19). This amendment is reversed out to show the actual cost to the Council and therefore has no impact on the Council Tax. The treatment is similar to the way we account for capital charges, and the impact is shown for each management unit in appendix A to this report. The final figure for IAS 19 is £419,351 higher than the budget resulting in an overspend against the budget (see Appendix A).
- 2.4 During December, the Government issued a capitalisation directive to the Council allowing us to capitalise (and not charge to revenue immediately) £380,000 of redundancy costs. The Council has used the £380,000 capitalisation directive but unfortunately this was not enough to cover all redundancy costs that the Council incurred. This means that some redundancy costs have been charged to services whilst others have not.
- 2.5 The total overspend variance of £922,773 comprises cost variances of £503,422 plus the year-end IAS 19 adjustment of £419,351, thereby increasing the overall net expenditure for this committee to £6,420,103. The previous forecast for the nine month period ending 31 December 2010 indicated an overspend variance of £68,380 before IAS 19, with most of the actual movement of £435,042 since being in respect of a net reduction of subsidy for Housing Benefits and the cost of redundancies not able to be capitalised.

The main variations are detailed below by management unit:

	£
2010/11 APPROVED ANNUAL BUDGET	16,881,880
SERVICE ACCOUNTS:	
86A1 REVENUE COLLECTION / BENEFITS	531,700
<p>During 2010/11, benefits of £44.5m have been paid and subsidy of £42.8m has been received. This resulted in an overall budget variance of £532k which represents 1.19% of the gross benefit expenditure. However homelessness payments above the rental subsidy cap has accounted for some £160k of this deficit.</p> <p>Included in this net cost was also a reduction in the administration costs for revenue collection and housing benefits.</p>	
86A2 ELECTIONS & ELECTORAL REGISTRATION	10,518
<p>The City Council elections that were originally planned for May 2010 were held on 9 September 2010.</p> <p>A by-election was held in May 2010 which has resulted in a net overspend.</p>	
86A3 CORPORATE	73,674
<p>There has been an increase in volume and cost of the central bank charges.</p> <p>After the detailed budgets were set for the General Fund Services for 2010/11 a decision was made to reduce the budget for the 2010/11 pay award from 1% to 0.7%. This decision was too late to be included in service costs so the reduction was shown in this management unit. No pay award was agreed so the savings have now been shown in all cost centres across the Council rather than this management unit. A reduction in working hours have reduced the recharges from management unit 86A8 Chief Executive Services.</p> <p>Professional fees have been incurred in pursuing the Council's reimbursement of Icelandic bank monies.</p>	

86A4	CIVIC CEREMONIALS No major twinning events have taken place in the current financial year and there have been some minor pay and budget savings. Additional expenditure was incurred at Guildhall on the replacement of the boiler and ovens (AIM).	(13,541)
86A5	DEMOCRATIC REPRESENTATION The support services costs for directors has reduced. There has been an underspend on Members' Expenses due to the temporary reduction in the number of elected members pending the September 2010 elections and a freeze in allowances for the year. Expenditure was incurred on the Local Government Review related to the Judicial Review and subsequent work to identify a date for the required elections.	10,997
86A6	GRANTS/CENTRAL SUPPORT/CONSULTATION Additional rate relief has been granted to businesses and charitable organisations and has been partly offset by reduced expenditure on community consultations and corporate chartermarks. Area Based Grant funding of £19,699 has been used to finance some of our Community Safety project work with accountancy regulations requiring the funding to be shown below the line in the accounts. It is requested that a supplementary budget of £3,000 is moved to 2011/12 to fund the outstanding commitments for Grants Committee.	11,277
86A7	UNAPPORTIONABLE OVERHEADS There was a net increase in payments due to the pension fund administered by Devon County Council to meet the approved cost of early retirements and redundancies. The year-end balance of unallocated Central Support Services and IAS 19 adjustments have been shown in this management unit.	276,216

CENTRAL SUPPORT SERVICES ACCOUNTS:

The management units listed below are recharged out across the whole of the Council and are either brought back to zero cost or have balances left that are transferred to management unit 86A7 above. Before this took place, the variances that occurred, including capital charges and IAS 19, are noted below:

86A8	CHIEF EXECUTIVE SERVICES A reduction in working hours within the department has resulted in pay savings. There was a reduction in the use of printing and copying throughout the service.	(92,784)
86A9	STRATEGIC/COMMUNITY PARTNERSHIPS Costs incurred on Community Partnerships with other public bodies were nearly all funded by grants.	(4,943)
86B1	TREASURY SERVICES An agreed reduction in working hours for some staff, reduced posts and vacancies within the service has resulted in pay savings. There has been an increase in the cost of Accountancy Services, largely due to software upgrades for the financial system (eFIMS). There have been upgrades in software for Council Tax and NNDR Collection as well as Benefits Administration and this has been partly financed by Government grants. Due to the reduction in costs of operating the Civic Centre and Customer Service Centre (see 86B5 below), the recharge to Treasury Services has reduced.	(125,583)
86B2	INTERNAL AUDIT There were some minor savings in pay and operating costs.	(4,930)
86B3	HUMAN RESOURCES An additional temporary staffing resource within Human Resources was approved by Committee in February 2010.	6,165
86B4	LEGAL SERVICES There were some minor savings in pay that were partly offset by an increase in the cost of legal publications.	(13,166)
86B5	CORPORATE CUSTOMER SERVICES Vacancies within the Customer Service Centre and staff reductions throughout this management unit have resulted in pay savings. There have been savings made in the cost of utilities at the Civic Centre as well as on rates and building maintenance costs (AIM). A reduction in IT maintenance and support costs coupled with lower capital charges have resulted in a reduction in the cost of the Civic Centre and Customer Service Centre operations.	(320,363)

86B6 IT SERVICES	(254,382)
Savings have been made in staffing, IT software maintenance and administration costs within the service.	
There has been a significant reduction in capital charges due to the depreciation and valuation of IT assets.	
86B7 DIRECTOR CORPORATE SERVICES OFFICE	(2,991)
There are no significant variances to report.	
Total expenditure before internal recharges	<u>16,969,744</u>
Total IAS 19 adjustment	419,351
Less internal recharges	(10,968,992)
2010-2011 NET EXPENDITURE	<u>6,420,103</u>
Revenue Contribution to Capital Expenditure	0
Movement to an Earmarked Reserve	<u>0</u>
Net expenditure after movements to reserves	<u>6,420,103</u>

3. RECOMMENDATION

3.1 That the Scrutiny Committee - Resources note this report.

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

1. None

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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**SCRUTINY COMMITTEE - RESOURCES
STEWARDSHIP FINAL ACCOUNTS**

APRIL 2010 TO MARCH 2011

ANNUAL BUDGET	SUPPL'RY BUDGET	REVISED BUDGET	CODE	OUTTURN	OVERALL VARIANCE	IAS 19 VARIANCE	ADJUSTED VARIANCE
£	£	£		£	£		
1,800,240		1,800,240	86A1	2,331,940	531,700		531,700
347,320		347,320	86A2	364,241	16,921	6,403	10,518
891,050		891,050	86A3	964,724	73,674		73,674
253,050		253,050	86A4	247,752	(5,298)	8,243	(13,541)
875,370		875,370	86A5	886,897	11,527	530	10,997
1,045,690	3,890	1,049,580	86A6	1,060,857	11,277		11,277
259,450		259,450	86A7	563,692	304,242	28,026	276,216
1,224,580	9,600	1,234,180	86A8	1,198,177	(36,003)	56,781	(92,784)
0		0	86A9	0	0	4,943	(4,943)
3,435,270		3,435,270	86B1	3,446,511	11,241	136,824	(125,583)
213,130		213,130	86B2	221,183	8,053	12,983	(4,930)
713,280		713,280	86B3	744,792	31,512	25,347	6,165
615,080		615,080	86B4	634,544	19,464	32,630	(13,166)
2,700,160		2,700,160	86B5	2,428,005	(272,155)	48,208	(320,363)
2,342,990	11,670	2,354,660	86B6	2,150,876	(203,784)	50,598	(254,382)
140,060		140,060	86B7	144,904	4,844	7,835	(2,991)
<u>16,856,720</u>	<u>25,160</u>	<u>16,881,880</u>		<u>17,389,095</u>	<u>507,215</u>	<u>419,351</u>	<u>87,864</u>
(11,384,550)		(11,384,550)		(10,968,992)	415,558	-	415,558
<u>£ 5,472,170</u>	<u>£ 25,160</u>	<u>£ 5,497,330</u>		<u>6,420,103</u>	<u>922,773</u>	<u>419,351</u>	<u>503,422</u>

Transfers to/from Earmarked Reserves

OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES 6,420,103

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EXETER CITY COUNCIL

SCRUTINY RESOURCES 22 JUNE 2011

WORKFORCE PROFILE AND LEARNING AND DEVELOPMENT REPORT 2010/2011

1. PURPOSE OF REPORT

- 1.1 To provide the Committee with a comprehensive profile and overview of key workforce and learning and development activities for the Council between April 2010 and March 2011.
- 1.2 To provide some benchmarking and statistical data from a local, regional, national or industry basis as appropriate.
- 1.3 To highlight any trends and interventions recommended as appropriate.

2. BACKGROUND

- 2.1 The Council acknowledges that its workforce is both valuable and costly and in order to deliver quality services it must have a clear understanding of workforce issues now and for the future.
- 2.2 The current economic climate nationally but more particularly on local government, has had a substantial impact on the Council over the past year. The adverse conditions are likely to continue in the foreseeable future and the ongoing impact on the Council will result in the continuing increase in the number of redundancies and the overall decline in headcount with the emphasis on the protection of front line services.
- 2.3 Nationally the redundancy numbers over the past year have fallen to 6.2 per 1,000 employees, down from 7.1 per 1,000 employees in the previous year. Figures are not available for a public/private sector split although it is recognised that redundancies in the public sector are likely to increase over the next 2 years as the private sector begins to come out of recession.
- 2.4 The national unemployment rate at year end fell from 8% in 2010 to 7.7% with 2.46 million people unemployed. The rate for the South West was lower at 6.2% (163,000 unemployed people).
- 2.5 The 16 -24 year old age range continues to suffer higher than average levels of unemployment at 23.22% (935,000 people), but this figure is again down on last year's figure of 30%.
- 2.6 The population estimates and distributions for Exeter and the Heart of Devon sub region are unlikely to be representative of the current population since they have not been updated since 2009 as the Office of National Statistics is in the process of reviewing its formula for calculation which will be influenced by the results of the 2011 census once this is available. The chart below represents the latest figures available for the area.

Population estimates Exeter and Heart of Devon 2009	
Total population	457,400
Under 16s – below national average	18,300
People of working age – above national average	82,900
People of retirement age – below national average	21,200

3. WORKFORCE PROFILE

3.1 The challenges within local government remain fairly consistent and are unlikely to change given the current reduction in overall size of the workforce with the City Council; a factor in common with most other local authorities due to budget cuts, the government challenge of reducing the overall public sector workforce with the objective to achieve more for less. The key issues remain as previously reported with :

- An ageing workforce
- Lower levels of women in senior posts
- Lower levels of young people being recruited
- Competition from the private sector for some professional roles
- Diversity in terms of skills, work patterns, locations and working practices
- Need to ensure opportunities support a work life balance

3.2 The main strands of this report concentrate on:

- Baseline workforce data
- Turnover – including restructuring
- Sickness Absence
- Overtime
- Equality
- Learning and development
- General employment statistics

3.3 Workforce Profile by Grade

The total number of employees as at 31 March 2011 was 845 (equating to 767 FTE) - down from 908 last year, these were distributed in the pay and grading structure as follows:

Grade	% of employees	
	2009/10	2010/11
1	5.51	5.56
2	8.31	8.52
3	9.66	7.69
4	12.47	14.91
5	20.00	18.93
6	13.60	13.61
7	8.09	8.05
8	7.08	7.57
9	5.96	5.80
10	3.26	3.43
11	1.57	1.78
12	1.69	1.78
13	1.46	1.42
14	1.01	0.95
Other	0.33	0.00

- Grades 4 – 6 continue to represent the greatest range of movement for pay grades, but there has also been some change around grades 11 and 12. Overall there is now 50% of the total workforce employed at grade 3 – 6 a reduction of 6% on last year. This is indicative of a change process and re-organisation where fewer staff is increasingly taking on a wider breadth of duties which is reflected through the JE and pay grading system.

3.4 Workforce Profile by Age

Age Group	Female %		Male %		Total %	
	09/10	10/11	09/10	10/11	09/10	10/11
16-25	2	2	2	2	4	3
26-35	11	11	9	10	20	21
36-44	10	11	13	11	23	22
45-54	13	13	17	18	30	31
55-60	5	5	10	11	15	16
61+	3	2	5	5	8	7
	45	44	56	57	100	100

- The age profile for the Council is in line with the national trend with a continued movement upwards in the older age brackets. In addition the current low turnover rates will inevitably move the age profile upwards year on year.
- The age profile of the current workforce with 54% of staff being in the 45+ age bracket will need to be considered in developing the Workforce Plan and future succession planning. However, since the coming year is likely to have a high impact on the workforce profile following the implementation of the new management structure this cannot realistically be addressed until April 2012.

3.5 Workforce Profile - Ethnicity

Profile as at 31 March 2011:

Ethnic Origin	Head count		% Percentage	
	2009/10	2010/11	2009/10	2010/11
Not known	77	37	8	4
Black African	1	3	<1	<1
Chinese	1	0	<1	0.00
Indian	3	4	<1	<1
Irish	2	2	<1	<1
Mixed	4	4	<1	<1
Other	1	3	<1	<1
White Asian	2	2	<1	<1
White other	21	32	2	4
White UK	796	760	88	90
Total	908	847		

3.6 Workforce Profile – Disability

Profile as at 31.3.11

Declared disability	Head count		% Percentage	
	2009/10	2010/11	2009/10	2010/11
Not known	158	144	17	17
No	725	680	80	80
Yes	25	23	3	3
Total	908	847	100	100

- The ethnicity statistics are broadly similar to previous years and the overall percentages remain relatively constant despite the reduction in headcount. This indicates the Council's procedures used to achieve restructuring outcomes are equality compliant.

- Disability and ethnicity data for employees is reliant on those employees making a declaration to inform the Council. The improvement in the number of “not known” for ethnicity resulted from the data checking exercise which was carried out during the year.
- Where small numbers of employees are reported a small reduction in numbers can have a significant impact on percentages.
- There has been an overall decrease in headcount of about 7% in the past year.

3.7 Workforce Profile – Turnover

There is always a need for some level of turnover to ensure the general health of an organisation and growth and development of new ideas.

For 2010/11 our turnover rate using the formula below was 13% which is a 2% increase on last year; the national average turnover for local authorities is 11.5%. However due to the factors of vacancy management, redundancy and the overall reduction in headcount this is not a true “turnover” figure. A truer turnover value is around 8%; this excludes staff in the redundancy and TUPE transfer category. Nationally the turnover figure for local authorities is between 7% and 8%.

The table below gives details of reasons for staff leaving the Council.

*[Turnover is calculated using the standard “crude wastage” method

$$\frac{\text{Number of leavers}}{\text{Average number of employees}} \times 100$$
]*

Turnover – reason		Turnover – Directorate	
Reason	Number	Directorate	Number
Resignation	40		
Redundancy	25		
Death in service	2	Chief Executive	2
Dismissal	6	Community and Environment	62
Early voluntary retirement	6	Corporate Services	15
End of temporary contract	13	Economy and Development	32
Ill health retirement	2		
Normal retirement age	12		
TUPE Transfer	5		

3.8 Workforce Profile – Overtime

The use of overtime can be an essential business strategy to ensure the effective delivery of services. This method is often preferable to engaging agency staff or recruiting to temporary posts, particularly to address short term issues.

Overtime can however, be costly and for this reason its use is managed within defined salary budgets and is accounted for through financial management processes.

Comparison of overtime hours worked 2008 – 2011 with costs for 2010/11:

Directorate	2009/10	2010/11	Cost 2010/11
Chief Executive	0	0	0
Corporate Services	2,974	1,730	£24,852
Community & Environment	22,430	21,843	£270,930
Economy and Development	5,127	5,943	£77,369
Total	30,531	29,516	£373,151

Whilst the overall downward trend in overtime hours worked continues (£5,400 more than 2009/10) this is beginning to plateau. The most significant reductions remain in Community and Environment as the directorate continues to implement ongoing services reviews to achieve budget savings.

3.9 Workforce Profile – Sickness Absence

- 3.9.1 Sickness absence remains a key issue for many organisations and of major concern for “UK plc” with costs continuing to increase to more than £16.8 billion per annum rising to nearly £30 billion when indirect costs are taken into consideration. It is accepted that most people will need to take some time off sick during their working life and that not all sickness costs relate to ill health absence and also take account of reductions in levels of performance, outputs, impact on other staff and overall workplace health.
- 3.9.2 However, the Council has made significant improvements in managing long term and short term sickness absence over the past year resulting in a positive improvement in our absence figures. The introduction of a new Absence Management Policy in July and mandatory support workshops for all managers, coupled with significant input from the HR team has achieved the required outcome. The test now is to ensure that we continue to positively monitor and manage absence to continuously improve our performance over the next year.
- 3.9.3 Absence figures for 2010/11 have fallen to 8.63 days from 10.16 days last year.
- 3.9.4 The national average figure for all local authorities is 10.1 days.
- 3.9.5 The reasons for sickness absence are varied the chart below gives a breakdown of reason for absence for 2009/10 and 2010/11.
- 3.9.6 The main reasons for absence during this period were:
- Stomach problems 14%
 - Muscular 11%
 - Viral – includes colds/flu 13%

Sickness reasons

	2009/10 - %	2010/11 - %
Back	9	8
Chest	6	7
E.N.T.	4	7
Head	5	9
Heart	4	3
Muscle	17	11
Pregnancy	1	1
Stomach	12	14
Stress	18	6
Viral	12	13
Other	11	11
Not known	3	11

The main reasons for absence have changed significantly from last year with stress related absence reduced by 66% which is directly related to our management of long term absences related to stress.

3.9.7 Sickness absence is broken down for monitoring and management purposes into 2 categories: long term – more than 20 consecutive days and short term – less than 20 consecutive days.

	2009/10	2010/11
Long term absence	55%	59%
Short term absence	46%	41%

3.10 Workforce Profile – Recruitment

3.10.1 Equality in recruitment

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

- Applications received
- Shortlisted applications
- Applicants appointed

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

- Gender and grade
- Age
- Disability
- Ethnicity

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

Gender and grade

	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
All grades						
Female	39	43	42	50	53	44
Male	61	57	58	50	47	66
Grades 1 – 7						
Female	38	39	41	45	52	42
Male	62	61	59	55	48	68
Grades 8 – 13						
Female	49	51	48	62	57	61
Male	51	49	52	38	43	39
Senior Management Grades						
Female	51	0	57	0	100	0
Male	49	0	43	0	0	0

- In total during the period there were 37 new appointments, a further decline in numbers which reflects the reducing overall headcount and redeployment of existing staff.
- Of the appointments made, 66% were male and 44% female which reflects the level of activity in the more traditionally male roles in cleansing etc and lower levels of activity in the more clerically based roles. Posts in the later category have been filled primarily through redeployment of existing staff.

3.10.2 Age in recruitment

Age Groups	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
16 – 18	<1	<1	0	<1	0	0
19 – 25	25	23	16	20	22	17
26 – 35	27	24	26	24	16	26
36 – 45	20	22	23	27	31	28
46 – 55	19	21	23	20	22	19
56 – 65	7	8	11	7	9	9
65+	<1	<1	<1	<1	0	2
Unknown	<1	<1	0	<1	0	0

The profile for 2010/11 follows the trend from last year with an increase in appointments in the 26 – 35 and 36 – 45 age bracket with reduction in the number of appointments in the under 25 group. However due to the continuing low number of appointments this again has no significant impact on the overall age profile within the Council.

3.10.3 Disability in recruitment

Disability	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Non disabled	59	45	79	66	75	81
Disabled	3	2	4	3	3	2
Unknown	38	52	17	32	22	18

- There remain a significant number of applicants preferring not to state whether or not they consider they have a disability.
- The number of those declaring a disability has declined significantly from last year which is probably linked to the higher number of more manual type posts going to external advertisement.
- The percentage of the workforce with a declared disability remains fairly constant at 2.66% (2.75% 2009/10).

3.10.4 Ethnicity in recruitment

Ethnic origin	% Applicants		% Applicants Shortlisted		% Applicants Appointed	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Black Caribbean	<1	0	0	0.26	0	1
Black African	<1	<1	<1	<1	2	0
Indian	<1	0	0	0	0	0
Bangladeshi	<1	0	0	0	0	0
Pakistani	<1	0	0	0	0	0
Chinese	<1	0	<1	<1	0	0
White UK	78	82	85	83	84	80
White - other	7	7	5	5	3	6
Black other	<1	<1	<1	<1	0	0
Other	1	1	<1	<1	0	1
Unknown	10	7	9	9	10	12

- The statistics are based on very small numbers with the highest number of applicants from a BME group being 13 declared as Black African. This compares with 1,132 as White British.

4. LEARNING AND DEVELOPMENT

- 4.1 The Council supports high levels of learning and development activities for its staff and has committed to continuing the support in the future to ensure it can attract, develop and retain high quality staff.

A full review of what and how we undertake learning and development within the Council is currently underway and this will ensure that we meet future needs and ensure we have all staff appropriately trained and qualified to deliver services in the future.

- 4.2 We have reviewed our current provision and delivery practices. The training budget is now managed corporately from within HR to provide a more targeted and fairer service to staff and achieve our target budget savings of 10%.
- 4.3 As a result of the changes which came into effect from 1 April 2011 we have been reviewing our provision and as a result made some substantial changes which will come into effect in the current financial year.
- 4.4 The Council had supported a number of staff to achieve academic qualifications (34 employees in the previous 2 years); staff will be supported to complete their current course but no further support will be given this year unless there is a requirement for the particular qualification within the role.
- 4.5 More than 100 managers have participated in the ILM (Institute of Leadership Management) courses which have run over a number of years. This is now being reviewed and a range of new provisions being considered to meet the Council's changing future needs.
- 4.6 In order to achieve greater value for money from our training budget, we are currently developing a range of e-learning courses. This type of learning will not be suitable across all subjects but it is a valuable alternative for many types of training. Already this type of learning has been used to deliver Protective Marking Courses, Health and Safety Courses and DSE (Display Screen Equipment) Training. In addition to using e-learning as stand-alone training, it is also a useful tool for refreshers courses and we are currently looking at ways to use this for equality training updates following successful completion of the Equality and Diversity Workshops last year.
- 4.7 All managers received training following the revision of the Absence Management Policy and this type of support will be further developed over the next year as policies and procedures are revised. This, coupled with the successful "90 minute power training sessions", enables our managers to be kept up to date with key developments and initiatives.
- 4.8 We have successfully achieved Member Development Charter status and the Councillor Development Steering Group continues to meet on a regular basis. Support and development for members continues to offer a variety of opportunities for experienced and new members throughout the year covering a full range of strategic and topical issues.
- 4.9 We are now pursuing the possibility of more joint working with other organisations in order to improve and develop our training support over the next year.

5. SUMMARY

- 5.1 The economic climate and the impact of budgetary pressures on the Council over the past year have had an impact on the workforce profile for the Council.
- 5.2 Re-organisations and the consequent reduction in workforce numbers will continue into the next financial year as we continue to balance budgets and provide services with a leaner and more flexible workforce. The forthcoming review of the senior management structure is likely to have a considerable impact on the whole structure and workforce of the Council.
- 5.3 Recruitment levels have continued to reduce which has resulted in the fairly static overall workforce profile with regard to age, gender, ethnicity etc. although the figures indicate that the changes have been achieved fairly within the equality framework. This is unlikely to change over the coming year.
- 5.4 Sickness absence levels have reduced substantially over the past year. The revised policy and procedure has been very successful in raising awareness of both staff and managers of the significant adverse impact of high levels of sickness and the continued work to address absence issues has reaped the reward. However, this is still a high profile issue and work will continue on monitoring and managing sickness absence. The reduction in absence related to stress is also encouraging but again requires close monitoring to ensure it does not rise significantly in the future.
- 5.5 The Council's ability to manage budgetary pressures through year on year reductions in overtime continues although it would seem that this may have reached a plateau. Strict management of overtime will however continue as this will support not only budget management but also in the health and welfare of staff by not putting pressure on them to work unduly longer hours.
- 5.6 In order to ensure we retain a highly motivated workforce we must continue to develop our learning and development programmes to retain a workforce with the appropriate skills and knowledge levels to take us forward and ensure we are a capable organisation in the future. A full review of our provisions and activity is now underway and a new Learning and Development Strategy will be produced to support the future needs of the Council.
- 5.7 The Council will need to ensure it develops its profile as an employer of choice through enhancing its profile as a key employer in the area, offering development opportunities and a flexible working environment across a diverse skills base.

6. RECOMMENDATION

- 6.1 That the Scrutiny Committee - Resources note the contents of this report which will also be shared with the Employee Liaison Form (ELF) and support the proposed actions outlined.

HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

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

HR Benchmarker DLA Piper 2010
ONS Labour Market Statistics
HSE Employment Data

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EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
22 JUNE 2011

MEMBERS' ALLOWANCES 2010/11

1 PURPOSE OF REPORT

- 1.1 To report the allowances paid to Elected Members and Co-opted Members in 2010/11.

2 BACKGROUND

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

- (a) basic allowance
- (b) special responsibility allowance
- (c) dependants' carers' allowance
- (d) travelling and subsistence allowance; and
- (e) co-optees' allowance

- 2.2 In addition, an allowance of £3,870 was paid to the Lord Mayor and £1,290 to the Deputy Lord Mayor to be used for additional expenses during their year in office.

- 2.3 The allowances and expenses paid to Members in 2010/11 are set out in the Appendix attached.

3 RECOMMENDED

- 3.1 That Scrutiny – Resources Committee note the allowances paid to Members in 2010/11.

ASSISTANT CHIEF EXECUTIVE

CHIEF EXECUTIVE'S DEPARTMENT

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

Background papers used in compiling this report:-

None

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Members' Allowances 2010/11

Title	Initials	Surname	Basic Allowance	Special Allowance	Broadband	Carers	Expenses
CLLR	MG	BALDWIN					
CLLR	D	BALDWIN	4430	5593	90		
CLLR	M	BALDWIN	3604	1167	76		
CLLR	C	BOYLE	1167		24		
CLLR	RA	BRANSTON	4430	427			23
CLLR	PJ	BROCK	4430	1281	90		
CLLR	SR	BROCK	3604	4076			
CLLR	M	CHOULES	4430	(Lord Mayor - 3,870)	90		
CLLR	JH	COATES	4430	4430			
CLLR	NS	COLE	4430	3156	90		
CLLR	TNC	CROW	2437		45		
CLLR	ME	DANKS	4430		90		
CLLR	PW	EDWARDS	3604	7561			
CLLR	AA	FULLAM	4430	7476	90		
CLLR	CG	GALE	1167				
CLLR	RM	HANNAFORD	4430	3489			
CLLR	AJ	HANNAFORD	4430				
CLLR	YAC	HENSON	3604	3493	76		
CLLR	SM	HOBDEN	4430				
MR	B	KIRBY		146			
CLLR	M	MACDONALD	2400		45		
CLLR	IJ	MARTIN	3604	3489	76		52
MR	AE	MIMMACK		972			
CLLR	KJ	MITCHELL	4430	5482			
CLLR	H	MORRIS	2437		45		
CLLR	J	MORRISH	4430	2215			

Members' Allowances 2010/11

Title	Initials	Surname	Basic Allowance	Special Allowance	Broadband	Carers	Expenses
CLLR	DJ	MORRISH	4430		90		-58
CLLR	LW	MOTTRAM	2437		45		
CLLR	RC	NEWBY	4430		90		
CLLR	AV	NEWCOMBE	4430				
CLLR	L	NEWTON	4430	3156			
CLLR	BC	NOBLE	1167	584	24		
CLLR	TV	PAYNE	3954				
CLLR	GJ	PROWSE	0				
CLLR	LS	ROBSON	3604		76		
CLLR	RG	RUFFLE	2437		45		
CLLR	GN	SHELDON	4430	(Deputy Lord Mayor - 1290) and 3489			
CLLR	PJ	SHEPHERD	1167		24		
CLLR	N	SHIEL	4430	1590	90		-213
CLLR	PA	SMITH	1167				
CLLR	R	SMITH	1167		24		
MS	L	SMITH		50			
CLLR	RD	SPACKMAN	2437		45		
CLLR	WM	STARLING	1358		28		
CLLR	HR	STERRY	4430				
CLLR	RH	SUTTON	2437	3489	45		
CLLR	JA	TAGHDISSIAN	4430		90		
CLLR	C	THOMPSON	4430		90		
CLLR	PR	WADHAM	4430	3156	45		10
CLLR	AJ	WARDLE	4430				
CLLR	JW	WINTERBOTTOM	4430	854	90		198