



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

**RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of item 13 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part I, Schedule 12A of the Act.

5 **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>*

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

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

**MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

7 **NON-HOUSING AIM BUDGET 2012/13**

To consider the report of the Head of Treasury Services, Acting Head of Estates and Acting Head of Housing Services – *report circulated* 1 - 10

8 **CAPITAL PROGRAMME (2012/13 - 2014/15)**

To consider the report of the Head of Treasury Services – *report circulated* 11 - 26

9 **TREASURY MANAGEMENT STRATEGY REPORT 2012/13**

To consider the report of the Head of Treasury Services – *report circulated* 27 - 36

10 **REVENUE BUDGET PROPOSALS 2012/13**

To consider the report of the Head of Treasury Services – *report circulated* 37 - 62

## **MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES**

11

### **ESTIMATES 2012/13**

To consider the report of the Head of Treasury Services – *report circulated*

63 - 92

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

12

### **PROGRESS REPORT - RAMM DEVELOPMENT PROJECT**

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

93 - 94

## **DATE OF NEXT MEETING**

The next **Scrutiny Committee - Resources** will be held on Wednesday 21 March 2012 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 Baldwin (Chair), Hobden (Deputy Chair), Branston, Bull, D J Henson, 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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# Agenda Item 7

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 25 JANUARY 2012

#### NON-HOUSING AIM BUDGET 2012/13

#### 1 PURPOSE OF THE REPORT

- 1.1 To detail the work proposed to non-housing properties in order to maintain and service such buildings in 2012/13. The work financed from the Asset Improvement and Maintenance fund, referred to as AIM, is contained within the Council's overall revenue budgets.

#### 2 BACKGROUND

- 2.1 Following a thorough examination of routine servicing and operational work, the gathering of historical information as to levels of reactive repair costs and the assembly and prioritization of Heads of Service property requirements, a budget for 2012/13 was established as;

(A)	Routine Servicing and Maintenance	£	516,300
(B)	Operational Essentials	£	74,760
(C)	Reactive Repairs	£	528,950
(D)	Lease Repairs	£	57,125
(E)	Service Department Recharges	£	353,960
(F)	Service Priorities and contingency	£	61,730

**Total (Appendix G)**                      **£**                      **1,592,825**

This budget reflects a reduction of £69,875 from 2011/12 budget.

- 2.2 The attached **Appendices A to F** provide further breakdowns of the above categories, detailing the properties involved, the projects and servicing works along with an estimated budget required. Further explanation is provided in the text below.

#### ANNUAL COMMITMENTS

#### 2.3 Routine Servicing and Maintenance (Appendix A)

Appendix A lists all identified work needed to inspect, service and maintain plant, equipment, controls, monitoring devices and specific structures. The work is required annually to ensure plant, equipment and specific structures are maintained in a fully operational and safe state. The costs listed are either based upon historical cost information updated for either operational (due to changes in testing regulations) or inflationary increases or for where previously, not separately identified, servicing and maintenance regimes have now been taken into account.

Consequently the proposed 2012/13 budget has increased from the previous year by some £74,000. Changes include provision for resuming full responsibilities for servicing and maintenance work, outside warranty agreements, for RAMM along with now identified costs for maintaining anti-climbing paint and regular gutter cleaning to various properties and radon monitoring in Underground Passages. This budget has also increased due to the need to properly designate periodic canal lock gate diver inspections as a servicing and maintenance regime rather than an Operational Essential. Nevertheless in this case, a corresponding reduction in the Operational Essential budget for 2012/13 has been made to reflect this change.

#### **2.4 Operational Essentials (Appendix B)**

Appendix B details budgeted amounts for property and plant and equipment repairs that, although monitored by the AIM Group, are currently administered by certain Heads of Service. The appropriate Assistant Director/Corporate Manager will utilise budgets to ensure that property and plant are in good working order thus ensuring that efficient and effective service delivery is assured. The budgets set here include for projected inflationary increases and for the transfer of budget to servicing and maintenance as referred to above. Nevertheless this budget has reduced from 2011/12 levels by some £7,800.

#### **2.5 Reactive Repairs (Appendix C)**

Appendix C details budgets required to finance reactive repair works that may arise in the financial year, the budgets have been set by taking account of expenditure on reactive repairs in previous years and projected inflationary increases. Overall the budget has increased by some £15,000 from 2011/12 levels.

The repairs have been placed in categories of property family to indicate the levels of expenditure normally incurred. The expenditure is closely monitored and controlled throughout the year to ensure spending is targeted to mainly urgent and essential repair work. Similar monitoring provides evidence to consider whether the budget allocated remains a fair reflection of the financial resource needed.

#### **2.6 Lease Repairs (Appendix D)**

Property condition surveys highlight potential problem areas in respect of leased properties, in addition there are various other periodic checks carried out during the year. Often further works arise throughout the year, not specifically identified through the property condition survey. So it can be a difficult task to accurately quantify the full extent of the lease liabilities in each particular year.

The 2012/13 lease repair budget has been set at the expected level of financial resource needed to enable the necessary condition surveys and periodic checks to be carried out and also to cover any repair and maintenance work required to enable individual properties to be maintained to the required lettable condition. The budget for 2012/13 features a minor increase of some £1600.

#### **2.7 Service Department Recharges (Appendix E)**

This represents the cost of the staff resources required to programme, organise, tender, instigate, supervise, control, monitor and settle accounts in respect of the work proposed for this non-housing AIM programme. The budget reflects an estimate of the amount of Contracts and Direct Services and Engineering and Construction staff resources projected as needed, at the outset, to deliver the identified work programme. This can only be an estimate at the outset because complexities may arise as associated work demands become clearer, so involving increased staff time. For 2012/13 this budget has been increased by some £10,000.

## **PRIORITISED WORK PROGRAMME**

### **2.8 Service Priorities (Appendix F)**

As part of the exercise to alleviate the financial pressures facing the Council next year the AIM group, in consultation with Heads of Service, conducted a vigorous prioritisation of requests for projects from services. This prioritisation process effectively substantially limited the amount of service priorities to those that were considered only either urgent or essential.

It is recognised that, with a reduced programme of planned refurbishment work, it is likely that other unforeseen or unplanned work will become essential through the year. Therefore a contingency budget has again been set to allow for meeting such essential work demands as they arise. Nevertheless, this budget overall has been reduced by some £164,000 from that set in 2011/12.

Appendix F lists the service priorities identified by the AIM group as the most needed and/or most urgent and as subsequently agreed by SMT.

## **3 PROPOSALS**

- 3.1 It is proposed that the sum of £1,592,825 be set aside, from total resources available, to carry out necessary works listed above and in appendices A to F attached to this report in respect of non-housing property Service and Maintenance Work, Operational Essentials, Reactive Repairs, Lease Repairs, Service Department Recharges and Service Priorities.

## **4 RECOMMENDED**

- (1) that the Committee note that the sum of £1,592,825 has been split into the categories of work in the year 2012/13 as outlined in this report.

HEAD OF TREASURY SERVICES  
HEAD OF ESTATES SERVICES  
ACTING HEAD OF HOUSING 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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SERVICING AND MAINTENANCE WORK		CODE	BUDGET 2012-13 £
1	Air conditioning maintenance (inclusive of and chiller plant)	Y006347	£13,600
2	Corn Exchange Building Service Contracts	Y006348	£5,750
3	Routine Maintenance to roller shutter doors	Y006349	£3,500
4	Livestock Market Service Contracts	Y006350	£15,110
6	Routine Maintenance of Lightning Conductors, Various Locations	Y006355	£2,000
7	Routine Maintenance of Lifts on Properties (not Civic Centre)	Y006356	£7,000
8	Routine Maintenance of Lifts, Various Car Parks	Y006357	£9,850
9	Fixed Installation testing of electrical installations, various locations (incl some reactive)	Y006359	£38,000
10	Portable appliance testing of electrical equipment, various locations	Y006360	£11,000
11	Routine Maintenance of Stand-by Generators, Various Locations	Y006361	£2,000
12	Routine Maintenance of Sprinklers, Various Locations	Y006362	£18,000
13	Routine Servicing and Maintenance of Boiler and Heating Plant, Various Locations (incl react)	Y006363	£6,000
14	Routine Maintenance of Heat/Ventilation Controls, Various Sites	Y006365	£21,000
15	Maintenance of Card Readers and Barriers in Car Parks	Y006366	£400
16	Routine Servicing and Maintenance of outside warranty agreements at RAMM	Y006367	£35,000
17	Routine Testing of Fire Alarms	Y006369	£19,500
19	Routine Testing of Emergency Lighting	Y006370	£35,550
20	Routine Testing of Gas Pumping Station Boreholes	Y006371	£6,000
21	Routine Maintenance of Monuments	Y006372	£10,000
22	Inspections to structures and monuments (Technical Services Inspections)	Y006373	£17,500
23	inspections to ship canal lock gates and banks(Tech Services Inspections)	Y006374	£3,500
24	Exe Estuary - Hydrographic Surveys	Y006375	£5,150
25	Routine Servicing to Wallgates various locations	Y006376	£7,000
26	Routine Servicing of voltage reducer Civic Centre	Y006379	£1,600
27	Maintenance of automatic door sets in lobbies of Civic Centre	Y006380	£610
28	Paddling pools equipment inspection and maintenance	Y006385	£500
29	Routine Maintenance Gateway Feature Honiton Road	Y006386	£4,120
30	Routine Maintenance of Council owned footways	Y006388	£27,500
31	Annual Safety Inspection of Memorials	Y006389	£23,310
32	Cleaning of High Street Pyramid riddle	Y006390	£1,500
33	Routine Servicing and Maintenance of gas detection equipment in car parks	Y006392	£750
34	Alarm servicing at control centre	Y006393	£1,500
35	Fire protection equipment servicing and maintenance	Y006394	£6,000
36	Livestock Market annual structure maintenance	Y006345	£28,000
37	Legionella risk assessments	Y006395	£76,000
38	City wall maintenance	Y006397	£6,700
39	Car park fan maintenance	Y006398	£13,000
40	Anti climb paint	Y006358	£6,000
41	Gutter cleaning of various properties	Y006351	£15,800
42	Radon gas monitoring at Underground Passages	Y006384	£1,000
43	Canal lock gates diver inspections	Y006399	£10,000

TOTAL £

516,300

<b>OPERATIONAL ESSENTIALS</b>	<b>CODE</b>	<b>BUDGET 2012/13 £</b>
<b>CIVIC CENTRE (LIFTS)</b>	T054	12,120
<b>CANAL</b>	F030	15,620
<b>CAR PARKS</b>	M201	27,620
<b>REACTIVE UNOCCUPIED PROPERTY</b>	M001/M002	19,400
<b>TOTAL OPERATIONAL ESSENTIALS £</b>		<b>74,760</b>

## APPENDIX C

REACTIVE REPAIRS	CODE	BUDGET 2012/13 £
GENERAL REACTIVE WORK	Y0071-79	411,230
CANAL SPECIAL WORKS	Y007530	31,820
CIVIC CENTRE	Y007701	85,900
<b>TOTAL REACTIVE REPAIRS £</b>		<b>528,950</b>

## APPENDIX D

LEASE REPAIRS	CODE	BUDGET 2012/13 £
LEASE REPAIRS	Y006401	51,340
HEALTH AND SAFETY CHECKS	Y006402	5,785
<b>TOTAL LEASE REPAIRS £</b>		<b>57,125</b>

## APPENDIX E

SERVICE DEPARTMENT RECHARGES	CODE	BUDGET 2012/13 £
SERVICE RECHARGES	Y006501	353,960
<b>TOTAL SERVICE RECHARGES £</b>		<b>353,960</b>

REF	SERVICE PRIORITIES	CODE	BUDGET 2012/13 £
10	guildhall fire risk assessment remedial works	Y0061	£2,730
n/a	Emergency Non-Programmed and Other Contingency		£59,000
<b>TOTAL SERVICE PRIORITIES £</b>			<b>61,730</b>

<u>SUMMARY</u>	APPENDIX	BUDGET FOR 2012/13  £
ROUTINE SERVICING AND MAINTENANCE WORK	A	516,300
OPERATIONAL ESSENTIALS (cost centre funded)	B	74,760
REACTIVE REPAIRS	C	528,950
LEASE REPAIRS	D	57,125
SERVICE DEPARTMENT RECHARGES	E	353,960
SERVICE PRIORITIES	F	61,730
<b>TOTAL £</b>		<b>1,592,825</b>

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 25 JANUARY 2012

EXECUTIVE  
7 FEBRUARY 2012

COUNCIL  
21 FEBRUARY 2012

#### CAPITAL PROGRAMME (2012/13 – 2014/15)

#### 1. PURPOSE OF THE REPORT

- 1.1 To approve the General Fund and Housing Revenue Account Capital Programmes for 2012/13 along with schemes identified for the following two years.

#### 2. BACKGROUND

- 2.1 In accordance with the Prudential Code for Capital Finance in Local Authorities, the Council is required to prepare three-year capital expenditure plans and consider the affordability of its capital investment during all the years in which it will have a financial impact on the authority.

- 2.2 The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable and in considering its programme for capital investment, the Council is therefore required to have regard to:

- Affordability, e.g. implications for Council Tax and rent levels
- Prudence and sustainability, e.g. implications for external borrowing
- Value for money, e.g. option appraisal
- Stewardship of assets, e.g. asset management planning
- Service objectives, e.g. strategic planning for the authority
- Practicality, e.g. achievability of the forward plans

#### 3. AVAILABLE CAPITAL RESOURCES

- 3.1 In considering the affordability of the Council's capital plans, the authority is required to consider all of the resources currently available to it and estimated resources for the future.
- 3.2 Together with money from the Council's own capital receipts and capital reserves, the annual capital programme is financed from; Government grants, Section 106 monies, partnership funding and other external grants and contributions. If necessary, the Council may borrow to supplement these funds.
- 3.3 Under the prudential capital finance system, individual authorities are responsible for deciding the level of their affordable borrowing. The system is designed to encourage authorities that need, and can afford, to borrow for capital investment to do so.
- 3.4 The Council must ensure that any borrowing decisions remain affordable and to this end, has to adopt a number of prudential indicators, which are set out in the Prudential Code for Capital Finance in Local Authorities, developed by CIPFA. A report to the Executive setting out the Council's Prudential Indicators will be presented at the February meeting along with the overall budget.

### 3.5 *General Fund Available Resources*

Based upon the assumption that broadly 70% of the Capital Programme will be spent in the financial year it is approved, the Council will have to continue to use borrowing for capital purposes. Appendix 1 sets out the use of the resources available in respect of the General Fund.

3.6 A borrowing requirement of £14.88 million has been identified over the next four financial years, which will have an ongoing impact on the Council Tax. The current revenue cost of borrowing is between £50,000 and £60,000 for each £1 million that is borrowed. The affordability of the General Fund capital programme is ultimately decided by the incremental impact of capital investment decisions on the Council Tax.

### 3.7 *Housing Revenue Account Available Resources*

The capital programme for 2012/13 will be funded from the Major Repairs Allowance, Revenue Contribution and any external contributions and capital receipts generated in the period. Appendix 2 sets out the use of the resources available in respect of the HRA.

## 4. **GENERAL FUND CAPITAL PROGRAMME**

4.1 The proposed capital programme is set out in Appendix 3. The table below sets out the total of new capital bids included within the three-year capital expenditure plans for Executive to consider for approval:

Status	2012/13 £	2013/14 £	2014/15 £	Future Years £
Pre-approved schemes	6,620,170	1,304,830	951,000	551,000
New bids	1,915,500	0	0	0
Total General Fund Capital Programme	8,535,670	1,304,830	951,000	551,000

4.2 The capital programme has been set out in line with the Exeter Vision themes, in order to demonstrate how the Council's capital priorities help to contribute towards their achievement. Although a number of schemes contribute to the achievement of more than one vision theme, they have been placed under the theme to which it is considered the scheme contributes the most.

4.3 Details of the new capital bids are set out below, in order to provide an indication of how the Council seeks to further its capital investment.

#### 4.3.1 *An Electronic City*

The proposed programme for the next financial year includes provision to continue with the programmes to replace and upgrade the Council's PC's and enhance and upgrade the corporate network infrastructure, and to increase server and storage capacity to meet the current and predicted demand.



Budget provision is also sought to implement security controls to strengthen prevention of the disclosure of restricted and sensitive information and provide information assurance. This will ensure compliance with requirements for connection to the Government secure internet. Such connections will increase as more Government agencies are available online and connect to that network.

#### 4.3.2 *A Cultural and Fun Place to be*

Funding is requested to improve the appearance, play value and usability of the children's play areas at Woodwater Lane, Bull Meadow, Chantry Meadow and Great Hill View and to extend the useful life of each site.

It is proposed that funding be made available to replace the existing skate park facility at Flowerpot Fields. The original timber and tarmac ramps have reached the end of their useful lifespan and the aim of this project is to create a major new concrete skate park on the existing 'Chill Zone' site, providing challenging facilities for skaters, in-line skaters and BMX riders of all abilities from across Exeter and beyond.

Budget provision is also sought to enable the replacement of St Thomas paddling pool with a fun water play feature and to upgrade the Heavitree paddling pool.

#### 4.3.3 *A City Where the Environment is Cared For*

It is proposed that funding be made available to carry out maintenance on Exhibition Way Bridge to ensure the structure over the railway is safe.

Funding is requested for environmental improvements at Central Station. The project will create a new pedestrian public place by transforming the station forecourt through the removal of vehicle access and car parking. The scheme will involve high quality landscape works including natural stone paving and tree planting to create a safe and attractive, traffic free public place. This would allow street cafes, seating and an improved setting to the elegant station building.

#### 4.3.4 *Housing in the City*

Budget provision is sought to continue the provision of affordable housing in partnership with registered providers, developers and owners through the:

- provision of new, converted, adapted or extended homes including wheelchair users;
- promotion of high building and energy efficiency standards;
- reuse of privately-owned empty and under-used property;
- purchase of potential affordable housing sites;
- trickle transfer and improvement of the residual Laings stock (21 homes remain);

and to add to and improve the Council's temporary accommodation stock; and to fund the installation of residential sprinklers in new affordable housing.

#### 4.3.5 *Achieving Excellence in Public Services*

It is proposed that funding be made available to allow for the continuation of the Council's vehicle replacement programme to ensure that a safe and reliable fleet is maintained.

## **5. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME**

5.1 For 2012/13, the medium term financial plan provides for a capital programme of £6,096,160. A copy of the HRA Capital Programme is attached at Appendix 4.

5.2 The HRA Capital Programme will be funded by:

- |                                    |         |
|------------------------------------|---------|
| • Major Repairs Allowance          | £3.666m |
| • HRA Capital Receipts             | £0.100m |
| • External contributions           | £0.100m |
| • Revenue Contributions to Capital | £2.230m |

5.3 These resources will be utilised to improve Council dwellings so that they meet not only the Government's Decent Homes Standard but also the higher Exeter Standard, which the Council has agreed with its tenants.

## **6. RECOMMENDATIONS**

6.1 It is recommended that the Scrutiny Committee – Resources supports and the Executive and Council approves:

- The General Fund capital programme for 2012-13 as set out in Appendix 3
- The HRA capital programme for 2012-13 as set out in Appendix 4

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

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

None

GENERAL FUND	2011-12 £	2012-13 £	2013-14 £	2014-15 £	Future Years £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>						
Usable Receipts Brought Forward	1,022,845	300,000				1,322,845
GF capital receipts	365,000	60,000				425,000
GF capital receipts from the Canal Basin Redevelopment	30,000					30,000
Revenue Contributions to Capital Outlay	290,000	290,000	290,000	290,000	290,000	1,450,000
Disabled Facility Grant	777,985					777,985
Regional Housing Capital Grant	965,200					965,200
Heritage Lottery Fund	759,437	68,000				827,437
Other - Grants/External Funding/Reserves/S106						
<b>Total Resources Available</b>	<b>4,210,468</b>	<b>718,000</b>	<b>290,000</b>	<b>290,000</b>	<b>290,000</b>	<b>5,798,468</b>
<b>GENERAL FUND CAPITAL PROGRAMME</b>						
Committed Capital Programme	9,331,522	6,620,170	1,304,830	951,000	551,000	18,758,522
Proposed New Bids	0	1,915,500	0	0	0	1,915,500
<b>Total General Fund</b>	<b>9,331,522</b>	<b>8,535,670</b>	<b>1,304,830</b>	<b>951,000</b>	<b>551,000</b>	<b>20,674,022</b>
<b>ESTIMATED SPEND IN YEAR</b>	<b>6,532,065</b>	<b>8,774,426</b>	<b>3,474,082</b>	<b>1,057,149</b>	<b>671,000</b>	<b>20,508,722</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>						
Capital Receipts Brought Forward	0	0	0	0	0	0
Resources in Year	4,210,468	718,000	290,000	290,000	290,000	5,798,468
Less Estimated Spend in Year	(6,532,065)	(8,774,426)	(3,474,082)	(1,057,149)	(671,000)	(20,508,722)
Less Committed Spend in Future Years					(165,300)	(165,300)
Borrowing Requirement	2,321,598	8,056,426	3,184,082	767,149	546,300	14,875,554
Uncommitted Capital Receipts	0	0	0	0	0	0

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HOUSING REVENUE ACCOUNT	2011-12 £	2012-13 £	2013-14 £	2014-15 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>					
Usable Receipts Brought Forward	0	0	0	0	0
Other HRA Sales	365,928	0	0	0	365,928
RTB sales, net of pooling	71,200	100,000	100,000	100,000	371,200
Major Repairs Allowance	3,501,524	3,666,050	3,666,050	3,666,050	14,499,674
Revenue Contributions to Capital	2,240,040	2,229,670	1,176,180	1,176,180	6,822,070
External contributions from utility company	9,009	100,440	0	0	109,449
External contributions from leaseholders	30,427	0	0	0	30,427
Contributions from working balance	0	0	0	0	0
<b>Total Resources available</b>	<b>6,218,128</b>	<b>6,096,160</b>	<b>4,942,230</b>	<b>4,942,230</b>	<b>22,198,748</b>
<b>CAPITAL PROGRAMME</b>					
<b>HOUSING REVENUE ACCOUNT</b>					
MRA expenditure	3,501,524	3,666,050	3,666,050	3,666,050	14,499,674
HRA Programme - additional expenditure	1,712,330	2,129,390	975,460	908,180	5,725,360
Fees	364,270	300,720	300,720	368,000	1,333,710
<b>Total Housing Revenue Account</b>	<b>5,578,124</b>	<b>6,096,160</b>	<b>4,942,230</b>	<b>4,942,230</b>	<b>21,558,744</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>					
Usable Receipts Brought Forward	0	(640,004)	(640,004)	(640,004)	0
Resources in Year	6,218,128	6,096,160	4,942,230	4,942,230	22,198,748
Less Estimated Spend	(5,578,124)	(6,096,160)	(4,942,230)	(4,942,230)	(21,558,744)
Borrowing Requirement	0	0	0	0	0
Uncommitted Capital Resources	(640,004)	(640,004)	(640,004)	(640,004)	(640,004)
<b>WORKING BALANCE RESOURCES:</b>					
Balance Brought Forward	3,915,941	3,915,941	3,915,941	3,915,941	3,915,941
Used in Year for Capital Programme	0	0	0	0	0
HRA Balance Transfer	0	0	0	0	0
Balance Carried Forward	3,915,941	3,915,941	3,915,941	3,915,941	3,915,941

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## GENERAL FUND - CAPITAL PROGRAMME 2012/13 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Lead Officer	Deferred from 2011/12	Original 2012/13	New Bids 2012/13	Total 2012/13	2013/14	2014/15	Future Years	What the scheme is trying to achieve
			£	£	£	£	£	£	£	
<b>PROSPEROUS CITY</b>										
1	Basin / Quayside	MC	0	60,000	0	60,000	0	0	0	To deliver the regeneration of the Quayside by funding essential infrastructure improvements and land acquisition
<b>Sub Total - Prosperous City</b>			<b>0</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ACCESSIBLE CITY</b>										
1	King William Street Car Park Refurbishment - Phase 1	RC	195,000			195,000				To increase the life of the facility through concrete repairs and improve the environment of the car park specifically, and surrounding area generally, by large scale cleaning and painting of the site
2	King William Street Car Park Refurbishment - Phase 2	RC	875,000			875,000				To increase the life of the facility through concrete repairs and improve the environment of the car park specifically, and surrounding area generally, by large scale cleaning and painting of the site
3	Well Oak Park Footpath/Cycleway	RS	80,000			80,000				To provide a footpath/cycleway in Well Oak Park to connect to Shakespeare Road, including installation of lighting and CCTV, re-landscaping and closing off of the connection to Wyvern Park
<b>Sub Total - Accessible City</b>			<b>1,150,000</b>	<b>0</b>	<b>0</b>	<b>1,150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ELECTRONIC CITY</b>										
1	Server and Storage Strategy	PE		36,000	36,000	36,000				To increase the number of servers and storage capacity to meet the current and predicted demand, specifically the migration of the remaining physical servers now reaching the end of their useful life
2	IT Development Staff Recharges	PE		37,500	37,500	37,500				To provide for the cost of IT Developers, which will be directly involved in the implementation of computer software, development of new systems and qualify as capital expenditure
3	PC & Mobile Devices Replacement Programme	PE		85,000	85,000	85,000				To provide a rolling programme of replacement and upgrades to the Council's PCs
4	Corporate Network Infrastructure	PE		25,000	25,000	25,000				A continuation of the enhancement and upgrade programme to the corporate network infrastructure, in order to manage the growth in demand of high bandwidth applications specifically to remote sites and workers
5	Security Compliance for GCSx & PCI DSS	PE		33,000	33,000	33,000				Implementation of security controls to prevent the disclosure of restricted & sensitive information & provide information assurance. This will ensure compliance with requirements for connection to the Government Secure Internet. Such connections will increase as more Govt agencies are available online & connect to that network.
<b>Sub Total - Electronic City</b>			<b>0</b>	<b>0</b>	<b>216,500</b>	<b>216,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## GENERAL FUND - CAPITAL PROGRAMME 2012/13 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Lead Officer	Deferred from 2011/12	Original 2012/13	New Bids 2012/13	Total 2012/13	2013/14	2014/15	Future Years	What the scheme is trying to achieve
			£	£	£	£	£	£	£	
<b>CULTURAL AND FUN PLACE TO BE</b>										
1	Play Area Refurbishments	AC	68,000		119,000	187,000				Continuation of programme to improve children's play areas. Additional funding has been included in 12/13 for the refurbishment of play areas at Woodwater Lane, Bull Meadow, Chantry Meadow, Great Hill View and Quarry Park Road
2	Sports Facilities Refurbishment	AC	130,090			130,090				To undertake replacement and improvement projects at leisure facilities including contractual replacement projects and DDA improvements
3	Allotments - Next Phase of Toilet Replacement	PM	17,500			17,500				To replace the remaining two toilets in this phase of this programme
4	Replacement of Flowerpot Skate Park	PM			250,000	250,000				To provide a new concrete skate park on the existing Flowerpot 'Chill Zone'
5	Refurbishment and Upgrade of Paddling Pools	PM			200,000	200,000				To enable the replacement of St Thomas paddling pool with a fun water play feature and to upgrade the Heavitree paddling pool
<b>Sub Total - Cultural and Fun Place To Be</b>			<b>215,590</b>	<b>0</b>	<b>569,000</b>	<b>784,590</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>HEALTHY AND ACTIVE CITY</b>										
1	Disabled Facilities Grants	RN		290,000		290,000	290,000	290,000	290,000	To meet the legal duty to pay grants to enabled disabled people to remain in their homes
<b>Sub Total - Healthy and Active City</b>			<b>0</b>	<b>290,000</b>	<b>0</b>	<b>290,000</b>	<b>290,000</b>	<b>290,000</b>	<b>290,000</b>	



## GENERAL FUND - CAPITAL PROGRAMME 2012/13 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Lead Officer	Deferred from 2011/12	Original 2012/13	New Bids 2012/13	Total 2012/13	2013/14	2014/15	Future Years	What the scheme is trying to achieve
			£	£	£	£	£	£	£	
<b>CARED FOR ENVIRONMENT</b>										
1	Local Authority Carbon Management Programme	PM	42,130	100,000		142,130				To achieve a significant reduction in the Council's carbon dioxide emissions through the implementation of energy efficiency, renewable energy and sustainable transport initiatives
2	Improvements to Cemetery Roads and Pathways	PM		10,000		10,000				To continue the program of improving cemetery roads and pathways in order to provide a safer environment
3	Cemeteries and Churches Storage Improvements	PM	25,000			25,000				To carry out necessary improvements and repairs to vehicle and equipment storage at Higher Cemetery and Exwick Cemetery
4	Midl Recycling Banks	RN		10,000		10,000	10,000			To increase the number of bring bank sites in the city and increase recycling rates
5	City Centre Enhancements	KH	267,220	200,000		467,220	200,000			To provide for the enhancement of the city centre's pedestrian environment which will encompass London Inn Square, the completion of Norththay Gate and a range of minor works
6	Cowick Street Environmental Works	RS		100,000		100,000				To improve the environmental quality of Cowick St & Conservation Area. Key outcomes will be to enhance this entrance to Exeter & Cowick St Conservation Area, & support the local shops & business community & improve the pedestrian environment. Large scale developments around Cowick St are likely to have an impact over the next few years and environmental improvements will help to encourage new residents to make use of their local shops, with potential reductions in traffic generation & congestion
7	Exhibition Way Bridge Maintenance	DH		45,000		45,000				To carry out maintenance on the bridge to ensure the structure over the railway is safe
8	Central Station Environmental Works	RS		185,000		185,000				To create a new pedestrian public place by transforming the station forecourt through the removal of vehicle access and car parking
<b>Sub Total - Environment Cared For</b>			<b>334,350</b>	<b>420,000</b>	<b>230,000</b>	<b>984,350</b>	<b>210,000</b>	<b>0</b>	<b>0</b>	
<b>SAFE CITY</b>										
1	Replace Digital Recording Equipment at Control Centre	RN		48,000		48,000				To provide for the replacement of digital recording equipment at the control centre
<b>Sub Total - Safe City</b>			<b>0</b>	<b>48,000</b>	<b>0</b>	<b>48,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>HOUSING IN THE CITY</b>										
1	Renovation Grants	RN		400,000		400,000	400,000	400,000	0	To assist in making private sector homes fit for habitation
2	Glencoe Capital Works	RM	5,000			5,000				To provide for the upgrades to bathrooms, ventilation, flooring and wiring to ensure the property is fit for purpose and meets the proper standards
3	Private Sector Renewal Scheme	RM	493,830			350,000	143,830			To facilitate the reuse of privately owned empty homes and properties, ensuring they are fit for habitation
4	Social Housing Grants	RM	977,720		500,000	1,477,720				To facilitate the provision of affordable housing in the City
5	Exwick & Foxhayes School SOS	RM	300,000			300,000				To facilitate the redevelopment of these sites in partnership with the Devon and Cornwall Housing Group

## GENERAL FUND - CAPITAL PROGRAMME 2012/13 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES	Lead Officer	Deferred from 2011/12	Original 2012/13	New Bids 2012/13	Total 2012/13	2013/14	2014/15	Future Years	What the scheme is trying to achieve
6	RM	50,000			50,000				To enable the Shillihay Community to lease property as move on accommodation
7	RM	25,000			25,000				To assist in the trickle transfer of vacant Laings Easiform houses to Sovereign Housing Association
8	RM	60,000			60,000				To assist in the transfer of and improvement of these non traditional homes, once vacant, to Signpost Housing Association
9	RM	50,000			50,000				Conversion of the property to provide two flats and an assessment centre for homeless people
10	RM	24,260			24,260				Staged payment of capital grant to Magna Housing Association in respect of improvements to the accommodation
11	RM	25,000			25,000				To provide grants to temporary accommodation providers to ensure that their properties are fit for purpose and meet the proper standards
12	RM	25,000			25,000				To enable Signpost Housing Association to extend a property to four bedroomed accommodation
13	RM	150,000			150,000				To fund the provision of wheelchair adapted accommodation in partnership with registered providers and/or developers in homes on the Former Royal Naval Stores Depot
14	RM	89,250			89,250				To provide funding to Registered Providers to install residential sprinklers in new build accommodation
15	RM	50,000			50,000				To facilitate the redevelopment of these sites in partnership with Sovereign Housing Association
16	RM	350,000			350,000				To facilitate the redevelopment of the remaining Council owned infill sites
17	RM	187,500			187,500				Payment of practical completion grant to Sovereign Housing Association for the redevelopment of the site
18	RM	67,500			67,500				Payment of practical completion grant to Sovereign Housing Association for the redevelopment of the site
19	RM	255,000			255,000				To facilitate the redevelopment of the remaining Council owned infill sites in partnership with Sovereign Housing Association
20	RM	100,000			100,000				To meet the design and consultancy fees of preparing Council owned sites for redevelopment
21	RM	300,000			300,000				To acquire either privately or publicly owned land in the city to enable the construction of affordable housing
<b>Sub Total - Housing in the City</b>						<b>4,341,230</b>	<b>543,830</b>	<b>400,000</b>	<b>0</b>

GENERAL FUND - CAPITAL PROGRAMME 2012/13 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Lead Officer	Deferred from 2011/12	Original 2012/13	New Bids 2012/13	Total 2012/13	2013/14	2014/15	Future Years	What the scheme is trying to achieve
			£	£	£	£	£	£	£	
<b>ACHIEVING EXCELLENCE IN PUBLIC SERVICES</b>										
1	Vehicle Replacement Programme	PM		400,000	400,000	400,000				To ensure that the Council's vehicles are replaced so that a safe and reliable fleet is maintained
2	Capitalised Staff Costs	AS		261,000	261,000	261,000	261,000	261,000	261,000	To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers, architects and surveyors
<b>Sub Total - Achieving Excellence in the Public Services</b>			<b>0</b>	<b>261,000</b>	<b>400,000</b>	<b>661,000</b>	<b>261,000</b>	<b>261,000</b>	<b>261,000</b>	<b>261,000</b>
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>			<b>5,285,000</b>	<b>1,479,000</b>	<b>1,915,500</b>	<b>8,535,670</b>	<b>1,304,830</b>	<b>951,000</b>	<b>551,000</b>	

Lead Officer Key Table	
Head of Leisure and Museums	AC
Head of Treasury Services	AS
Property Manager (Strategy)	MC
Director of Economy and Development	KH
Engineering and Construction Manager	DH
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 Parking, Engineering and Business Support	RC
Head of Planning and Building Control	RS
Strategic Housing Manager	RM
Head of Environmental Health Services	RN
Head of Housing and Social Inclusion	SW

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## HOUSING - CAPITAL PROGRAMME 2012-2013 AND FUTURE YEARS

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		2011-12 B/FWD £	2012-2013 £	2012-13 Total £	2013-2014 £	2014-2015 £	Total £
<b>HOUSING IN THE CITY</b>							
1	Adaptations		450,000	450,000	450,000	450,000	1,350,000
2	Asbestos Survey		150,000	150,000	100,000	100,000	350,000
3	Asbestos Work		250,000	250,000	200,000	200,000	650,000
4	Bathroom Replacements	270,000	90,000	360,000	600,000	600,000	1,560,000
5	Central Heating	500,000	820,000	1,320,000	976,710	976,710	3,273,420
6	Rennes House Heating System Replacement		-	0	-	-	-
7	Other works		100,000	100,000	-	-	100,000
8	Repainting		50,000	50,000	20,000	20,000	90,000
9	Structural Repairs		50,000	50,000	50,000	50,000	150,000
10	Fire Prevention Work		200,000	200,000	200,000	200,000	600,000
11	Communal Areas		-	0	100,000	100,000	200,000
12	Electrical Rewires Programmed	140,000	260,000	400,000	447,800	447,800	1,295,600
13	Energy Conservation	100,440	25,000	125,440	30,000	30,000	185,440
14	Environmental Improvements		50,000	50,000	25,000	25,000	100,000
15	Door Entry System Installation		10,000	10,000	10,000	10,000	30,000
16	Fees		300,720	300,720	300,720	300,720	902,160
17	Fire Alarms at Sheltered Accommodation		100,000	100,000	-	-	100,000
18	Kitchen Replacements	1,000,000	600,000	1,600,000	900,000	900,000	3,400,000
19	Plastic windows/ doors reactive		20,000	20,000	20,000	20,000	60,000
20	Programmed Reroofing		300,000	300,000	252,000	252,000	804,000
21	Rendering of Council Dwellings		260,000	260,000	260,000	260,000	780,000
<b>Total HRA Capital Programme</b>		<b>2,010,440</b>	<b>4,085,720</b>	<b>6,096,160</b>	<b>4,942,230</b>	<b>4,942,230</b>	<b>15,980,620</b>

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 25 JANUARY 2012

#### EXECUTIVE 7 FEBRUARY 2012

#### COUNCIL 21 FEBRUARY 2012

### TREASURY MANAGEMENT STRATEGY REPORT 2012/13

#### 1. PURPOSE OF THE REPORT

- 1.1 To seek adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2012/13, as required under section 15(1)(a) of the Local Government Act 2003 and to seek adoption of revised clauses in respect of Treasury Management as part of the Council's Financial Regulations.

#### 2. BACKGROUND

- 2.1 In February 2011 the Council adopted the *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a treasury management strategy before the start of each financial year. In November 2011, CIPFA updated the guidance and require the adopted clauses from 2009 to be updated and re-approved.
- 2.2 In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

#### 3. CHANGES TO THE STRATEGY

- 3.1 In 2011/12, the Strategy was extended to form an overall Treasury Management Strategy as required by the CIPFA Treasury Management Code of Practice. Other than to reflect the new Code of Practice, the only changes are to reflect the Council's current cash position.

#### 4. CLAUSES TO BE FORMALLY ADOPTED

- 4.1 The following clauses to be re-adopted as section 13 of Financial Regulations:

1. The Council will create and maintain, as the cornerstones for effective treasury management :
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the treasury management policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of Exeter City Council. Such amendments will not result in a material deviation from the Code's key principles.

2. The Council's Executive will receive reports on its treasury management policies, practices and activities, including, as a minimum:
  - An annual treasury management strategy including as a minimum an annual strategy and plan in advance of the year
  - A mid-year review
  - An annual report after the end of the financial year in the form prescribed in the TMPs.
- 3 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Head of Treasury Services, who will act in accordance with the Council's policy statement and TMPs and, if a CIPFA member, with CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council designates Scrutiny Committee – Resources to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

## **5. RISKS INVOLVED**

- 5.1 The economic conditions of the past three years have demonstrated the risks involved in treasury management. The Council is still awaiting repayment from the Icelandic Banks and has strengthened our lending criteria substantially since then to ensure little, if any money is invested on the markets.

## **6. CONCLUSIONS**

- 6.1 The Strategy continues to limit the types of institution that the Council will lend money to, in order to minimise risk.

## **7. RECOMMENDATIONS**

- 7.1 That Scrutiny and Executive support and Executive recommend to Council the adoption of the new Treasury Management clauses for inclusion in Financial Regulations and the Treasury Management Strategy and delegations contained therein.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

1. Treasury Management Strategy



## EXETER CITY COUNCIL

## TREASURY MANAGEMENT STRATEGY 2012/13

**1. Introduction**

- 1.1 The Council's strategy is based on the requirements of the DCLG's Guidance on Local Government Investments ("Guidance") and CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes ("CIPFA TM Code").

**2. Economic Context**

- 2.1 The UK economy is continuing its weak recovery from the 2008/09 recession, with GDP growth forecast to be around just 0.9% in 2011 and 0.7% in 2012. Government spending cuts, rising unemployment and uncertain export markets are conspiring to keep demand low, and a "double dip" recession cannot be ruled out. Consumer price inflation, which peaked at 5.2% in September, is expected to fall sharply as one-off factors like 2010's VAT increase and fuel price rises fall out of the annual comparison.
- 2.2 In these circumstances, the Bank of England is unlikely to raise Bank Rate for several months, and additional quantitative easing is seen by many as being more likely than rate increases in the near future. However, once a more robust recovery appears to be taking root, the Bank is likely to prefer to gradually raise interest rates earlier, rather than waiting too late and needing to make a sharp correction.
- 2.3 The Eurozone sovereign debt crisis remains a major driver of market sentiment and with the UK seen a safe haven, gilt yields and hence PWLB rates have fallen markedly this year. Assuming that there is some resolution to the crisis, long-term rates are likely to climb back to more normal levels in 2012/13.
- 2.4 A second UK recession or a European sovereign default would see short and long term interest rates remaining lower for longer, while a faster economic recovery and a bold solution to the Eurozone crisis would likely see rates rise more quickly.

2.5 *Sterling Consultancy Services central interest rate forecast – November 2011*

	Bank Rate	1 month LIBOR	3 month LIBOR	12 month LIBOR	25 year PWLB
Current	0.50	0.73	1.01	1.79	4.06
Q1 2012	0.50	0.70	1.00	1.75	4.20
Q2 2012	0.50	0.70	1.00	1.70	4.40
Q3 2012	0.50	0.75	1.00	1.80	4.50
Q4 2012	0.75	0.85	1.05	1.90	4.50
H1 2013	1.00	1.10	1.25	2.00	4.60
H2 2013	1.50	1.60	1.75	2.50	4.70
H1 2014	2.00	2.10	2.25	3.00	4.80
H2 2014	2.50	2.60	2.75	3.50	4.90

2.6 *HM Treasury Survey of Forecasts – November 2011*

	Average annual Bank Rate %			
	2012	2013	2014	2015
Highest	1.1	2.6	3.0	3.7
Average	0.6	0.9	1.7	2.7
Lowest	0.5	0.5	0.9	1.4

**3. Current and Expected Treasury Portfolios**

3.1 Current portfolio

The Council's treasury portfolio as at 31<sup>st</sup> December 2011 was as follows.

	Principal Amount £m	Interest Rate %
Investments - maturing 2011/12	4.0	0.28 - 0.80%
- maturing 2012/13	0.0	
- maturing later	0.0	-
<b>Total Investments</b>	<b>4.0</b>	<b>0.28 – 0.80%</b>
Debt - maturing 2011/12	0.0	-
- maturing 2012/13	8.0	0.85 – 1.05%
- maturing later	0	-
<b>Total Debt</b>	<b>8.0</b>	<b>0.85 – 1.05%</b>
<b>Net Debt</b>	<b>4.0</b>	

3.2 Expected changes

According to current cash flow forecasts, net investments are expected to reduce by £4 million by 31<sup>st</sup> March 2012 and remain very low, as a result of the Council maintaining as low an amount of net debt as possible. The cash flow forecast includes planned borrowing of £7.8 million as part of the 2012/13 capital programme. The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates.

3.3 Budget implications

The net budget for interest payments in 2012/13 is £150,000. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

#### 4. Investment Strategy

4.1 The Council holds small surplus funds, which represent income received in advance of expenditure plus balances and reserves held. Much of the Council's cash has been used to reduce the amount of debt taken on during the current financial year. Both the CIPFA Code and the CLG Guidance require to Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.

#### 4.2 Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The CLG Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of "high credit quality".

4.3 The Council defines the following as being of "high credit quality" for making specified investments, subject to the monetary and time limits shown.

In-house investment	Monetary limit <sup>1</sup>	Time limit
UK owned banks and building societies holding short-term credit ratings no lower than F1+ and P-1	£3m each	12 months
Foreign owned banks that deal in sterling holding short-term credit ratings no lower than F1+ and P-1	£2m each	6 months
UK owned banks and building societies holding short-term credit ratings no lower than F1 and P-1	£1m each	3 months
Money market funds <sup>2</sup> and similar pooled vehicles holding the highest possible credit ratings (AAA)	£3m each	3 months
UK Central Government	no limit	12 months
UK Local Authorities <sup>3</sup>	£3m each	12 months

<sup>1</sup> banks within the same group ownership are treated as one bank for limit purposes

<sup>2</sup> as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

<sup>3</sup> as defined in the Local Government Act 2003

4.4 The maximum that will be lent to any one organisation (other than the UK Government) will be £3 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

#### 4.5 Non specified Investments

- No non specified investments will be made by the Council.

#### 4.6 Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £3 million per country. Only banks that are domiciled in the UK but are owned in another country will be used and need to meet the rating criteria of and will count against the limit for both countries. There is no limit on investments in the UK.

#### 4.7 Liquidity management

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

#### 4.8 Credit ratings

The Council uses credit ratings from two main rating agencies Fitch Ratings Ltd and Moody's Investors Service to assess the risk of loss of investments. The lowest available credit rating will be used to determine credit quality.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an institution has its credit rating downgraded so that it fails to meet the above criteria then:

- no new investments will be made,
- any existing investments that can be recalled at no cost will be recalled, and
- full consideration will be given to the recall of any other existing investments

Where a credit rating agency announces that it is actively reviewing an organisation's credit ratings with a view to downgrading it so that it is likely to fall below the above criteria, then no further investments will be made until the outcome of the review is announced.

#### 4.9 Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

#### 4.10 Investment instruments

Investments may be made using any of the following instruments:

- interest paying bank accounts
- fixed term deposits
- call or notice deposits (where the Council can demand repayment)
- certificates of deposit
- treasury bills and gilts issued by the UK Government
- bonds issued by multilateral development banks
- shares in money market funds

## 5. Planned investment strategy for 2012/13 – In-house

- 5.1 The cash flow forecast will be used to divide surplus funds into three categories:
- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
  - Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
  - Long-term – cash not required to meet cash flows, and used primarily to generate investment income.
- 5.2 The Council's in-house managed funds are based on the likely cash-flow position and rarely exceed one month. Investments will be made to ensure that cash flow is protected and borrowing is not required. However, on occasion, money has been invested for a longer period up to 364 days. These are funds which are not required for day-to-day cash management purposes.
- 5.3 The Council will continue to seek to utilise its call accounts (which are linked to base rate) and use short-dated deposits up to 3 months to ensure liquidity of assets for day-to-day cashflow. Although these are essentially cash, a monetary limit in line with the banks credit rating is retained on the accounts. The Council will also make use of the Government's Debt Management Office to ensure the highest possible security for cash. Additionally, the Council's bankers, the Co-operative Bank, operate a Public Sector Reserve Account, which automatically sweeps excess funds from our general bank account into one paying a higher interest rate. There is no limit on the account, with interest varying depending on the amount in the account. However, the credit rating of the Co-operative Bank no longer meets our lending criteria and therefore only minimal funds are kept in this account, where possible.

## 6. Borrowing Strategy

- 6.1 The Council currently holds no long-term loans. The Council's General Fund capital financing requirement (CFR, or underlying need to borrow) as at 31<sup>st</sup> March 2012 is expected to be £24.6 million, and is forecast to rise to £32.4 million by March 2013 as capital expenditure is incurred.
- 6.2 The maximum expected long-term borrowing requirement for 2012/13 is:

	£m
Not borrowed in previous years	26.4
Forecast increase in CFR	7.8
Loans maturing in 2011/12	0.0
<b>TOTAL</b>	<b>32.4</b>

- 6.3 Additionally, the Council has to make a one-off payment on 28 March 2012, to buy itself out of the HRA subsidy system. The final draft settlement figure of £57.345 million will be confirmed in January 2012. The Government have announced that the PWLB interest rates will be reduced by approximately 0.85% for this one-off payment and therefore the money will be borrowed from the PWLB. The actual borrowing length and repayment schedule will be agreed in the next two months and the debt will be managed separately to the General Fund debt.
- 6.4 However, to reduce risk and minimise cost, it has been decided to defer borrowing until later years, and to temporarily reduce the size of the Council's investment balance instead.

6.5 In addition, the Council may borrow for short periods of time (normally up to one month) to cover unexpected cash flow shortages.

6.6 Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- any institution approved for investments above
- any other bank or building society on the Financial Services Authority list.

6.7 Debt instruments

Loans will be arranged by one of the following debt instruments:

- fixed term loans at fixed or variable rates of interest
- lender's option borrower's option (LOBO) loans.

As an alternative to borrowing loans, the Council may also finance capital expenditure and incur long-term liabilities by means of:

- leases
- Private Finance Initiative.

6.8 Borrowing strategy to be followed

With short-term interest rates currently much lower than long-term rates, it continues to be more cost effective in the short-term to not borrow and reduce the level of investments held instead. However, with long-term rates forecast to rise in the coming years, any such short-term savings will need to be balanced against potential longer-term costs.

**7. Policy on Use of Financial Derivatives**

7.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).

7.2 The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

7.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

7.4 Derivative counterparties

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

7.5 In reality, whilst the Council is required to include the above policy, it is highly unlikely that the Council will engage in such activity.

## **8. Treasury Management Prudential Indicators**

- 8.1 The Council sets each year, in February, prudential indicators for Treasury Management, to ensure that proper control of borrowing and investing is maintained. These indicators can be found in the Council's budget book.

## **9. Other Matters**

- 9.1 The draft revised CLG Investment Guidance also requires the Council to approve the following matters each year as part of the investment strategy:

### **9.2 Investment consultants**

The Council contracts with Sterling Consultancy Services to provide advice and information relating to its investment and borrowing activities. However, responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of the advisory service is monitored by the Head of Treasury Services.

### **9.3 Investment training**

The needs of the Council's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Sterling Consultancy Services and CIPFA.

### **9.4 Investment of money borrowed in advance of need**

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

## **10. Investment Reports**

- 10.1 At the end of the financial year, the Council will prepare a report on its investment activity as part of its Annual Treasury Report. Progress will also be reported after six months of the financial year.

HEAD OF TREASURY SERVICES  
JANUARY 2012

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 25 JANUARY 2012

#### EXECUTIVE 7 FEBRUARY 2012

### REVENUE BUDGET PROPOSALS 2012/13

#### 1. PURPOSE OF THE REPORT

- 1.1 This report outlines the strategic framework within which the estimates have been prepared and circulated for discussion and comment during December and highlights the issues that will affect the actual setting of the overall level of council tax.
- 1.2 This report also summarises the overall budget position arising from the current cycle of Scrutiny Committee meetings.

#### 2. BACKGROUND

- 2.1 At its meeting of 6 December 2011, the Executive approved a budget strategy based upon key assumptions including the likely level of available resources and identified spending pressures. This strategy, including the revised medium term financial plan, indicated that the Council needed to reduce its revenue budget by about £2.7 million over the next four years.
- 2.2 The Government has now announced the provisional local government finance settlement for 2012/13 which was in line with previous forecasts. For Exeter the guideline figures are as follows:
  - Formula Grant 2012/13 £8,257,807 (decrease 10.6% against 2011/12 'adjusted' formula grant )

The provisional settlement now indicates that in overall cash terms our 2012/13 grant will decrease by £977,419 against the 2011/12 adjusted grant amount of £9,235,226.

#### 3. KEY ASSUMPTIONS

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

3.2 With regard to inflation the following assumptions have been made with regard to the revenue budget for 2012/13:

- Pay 3.0% - to cover any pay award and increments
- Gas and Electricity 10.0%
- Water 7.0%
- Insurance 3.0%
- Rates 2.0%
- Fuel 12.0%
- General Inflation 1.0% - see para 3.5 below
- Income (excluding car parks) 4.0%

3.4 There has been no offer of an increase in pay for 2011/12. Unions have submitted a pay claim for 2012/13 asking for a substantial increase, although this has not been quantified. The Chancellor of the Exchequer has however more recently announced in his Autumn Statement that there should be a further restraint of all public sector pay with a 1% cap on public sector pay rises for two years after the end of the current freeze next year (2012/13). Currently most local government employees have already had two years of a pay freeze and for senior managers this is the third year of a pay freeze.

3.5 As a means of finding efficiency savings many non-pay budgets will again not be fully increased for inflation. There will be some exceptions to this in particular where there are ongoing contractual arrangements in place and where the Council has to meet the full price increase e.g. insurance and fuel. Recently released figures show that the rate of Consumer Prices Index (CPI) inflation in the UK fell again slightly for the second month running to 4.8% during November, down from a rate of 5.0% the month before. Although the rate of inflation still remains well above the Bank of England's target of 2% there is an expectation that it will begin to fall more sharply after January.

3.5 With regard to interest rates the Bank of England has put the base rate of interest on hold at only 0.5% since March 2009. Although many analysts are predicting that interest rates could start to increase next year, in the short term they are likely to remain at their historically low levels. The low levels of interest rates affect the City Council in different ways. On the negative side the Council has to assume lower investment returns on cash deposits in comparison with previous years. This has also been exacerbated by the continuing lack of confidence within some parts of the banking sector. Conversely, on the positive side, the low interest rates currently prevailing means that the cost of borrowing is lower than normal. This is particularly important to the City Council now that it has to make use of borrowing in order to fund part of its capital programme.

#### **4. PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2012/13**

4.1 As indicated above the provisional settlement provides local authorities with their provisional funding allocations for the next year only. The final allocations are expected to be confirmed in January 2011. The City Council's provisional formula grant settlement for 2012/13 is £8.258 million and this represents an overall cash decrease of £0.977 million (10.6%) compared to the current year 'adjusted' formula grant of £9.235 million.

4.2 Appendix 1 shows as a comparison the grant settlement figures for all Devon authorities covering the current spending review period. The final settlement figures will be announced later this month but at this stage it is not expected that they will be significantly different from the provisional announcement. They appear to show that in comparison with other Devon Districts the City Council has fared slightly better in percentage terms of formula grant reduced. The cut of 10.6% in formula grant next year compares to an overall average cut of 11.5% for all shire districts. This also compares with an average cut of 7.6% for Unitaries and 7.8% for Counties.

4.3 In the grant settlement the Government announced that councils will face an average cut of 3.3% based upon council's 'revenue spending power'. 'Revenue spending power' is a definition used by the Government, which encompasses an individual authority's:

- Council Tax Requirement;
- Formula Grant;
- Other Grants; and
- NHS funding for social care (not applicable for district councils)

Appendix 2 shows a comparison of Devon authorities using this definition of revenue spending power. Using this measure Exeter does not compare favourably with the other Devon authorities due its relative low level of council tax charge.

## **5. MONITORING OF REVENUE SAVINGS – 2011/12**

5.1 The revenue budget for the current financial year incorporated proposed savings of £2.4 million. These savings are monitored during the year as part of the stewardship process and the most recent revenue budget overview report to Executive in December indicated that the Council is on track to deliver those savings.

## **6. FURTHER ISSUES TO BE CONSIDERED**

6.1 Before the Council can finalise its revenue budget for next year there are a number of issues that require further consideration as follows: -

- Budget Consultation
- Equality Impact Assessment
- Central Government advice on the level of Council Tax
- New Homes Bonus
- Future spending pressures and review of the medium term financial planning process
- The level of reserves and balances

## **7. BUDGET CONSULTATION**

7.1 Last year the Council undertook a budget consultation exercise in which nearly 1,500 people took part. The consultation included a survey printed in the Express and Echo and which was also made available online together with use of the Wavelength panel. This helped identify where some of the budget reductions should be made and as a result the Council listened and made cuts to Christmas lights, festivals, arts grants and events. This year the Council has again undertaken a budget consultation exercise consisting of a Budget Open Day held in November together with an online budget survey. A summary report of the results of this consultation is attached in Appendix 5.

## **8. EQUALITY IMPACT ASSESSMENT**

- 8.1 Equality Impact Assessments (EQIA) form part of the Council's decision making process and are a tool to help the Council identify what effect or possible effects its work may have on different groups of people. All local authorities have a legal responsibility to assess their policies and functions, and to set out how they will monitor any possible negative impact on equality target groups. The Council needs to consider the impact on equalities of all new and reviewed Council strategies, policies, projects, services or functions, budget decisions and restructures. By anticipating the consequences of its actions on equality groups the Council can make sure that, as far as possible, any negative consequences are eliminated, minimised or counterbalanced by other measures, and opportunities for promoting equality are maximised. As part of this process any revenue savings proposals are assessed for any potential equality issues and EQIA's are undertaken as appropriate with the results available on the council's web site. An EQIA has been undertaken for both the Council's senior management restructure and organisational review process.

## **9. COUNCIL TAX**

- 9.1 The Government Spending Review 2010 allocated £650 million to help local authorities to implement a council tax freeze in England in 2011/12. Exeter City Council decided to freeze its council tax in 2011/12 so that band D council tax remained at £124.84, the 5<sup>th</sup> lowest out of all the other district councils.
- 9.2 On 3 October 2011, the Chancellor of the Exchequer announced an extra £805m fund for local authorities freezing council tax next year. All billing and major precepting authorities who freeze or reduce their council tax next year will receive additional funding equivalent to raising their council tax by 2.5%. Fire and police authorities will receive funding equivalent to a 3% raise. However unlike the extra grant available to fund the 'freezing' of council tax in the current year which was provided for 4 years to the end of the spending review period, this additional will be available for one year only. For the purposes of the revised medium term financial plan it has been assumed that the Council will freeze council tax again next year. It is estimated that the extra grant to compensate for freezing council tax again next year will be about £120,000.
- 9.3 The new Localism Act included provisions to abolish Central Government capping and instead give the public the power to approve or veto excessive council tax rises. Any authority which wishes to increase its council tax beyond a threshold determined by the Secretary of State and approved by the House of Commons will be required to hold a referendum to seek the approval of their electorate. Local people would therefore have the final say on excessive increases; a majority no-vote would mean authorities having to refund their council taxpayers. These provisions will come into effect for the first time from 2012/13 onwards and will apply to all local, police and fire authorities. The referendum threshold that has been set for all district councils, county councils and unitaries is 3.5% for 2012/13.

## **10. NEW HOMES BONUS**

- 10.1 The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. The scheme provides local authorities with a New Homes Bonus grant, equal to the national average for the council tax band on each additional property and paid for the following six years as an un-ring-fenced grant. There will be an enhancement for affordable homes. DCLG has allocated nearly £200m to fund the scheme fully in 2011/12. For the following three years of the spending review (2012/13 to 2014/15) they have allocated £250m per annum with funding beyond these levels to come from Formula Grant.

- 10.2 As above, the New Homes bonus grant is un-ring-fenced and for financial planning purposes (apart from 2011/12) no assumption has been made about using any part of it to fund the Council's revenue funding gap. There is also uncertainty regarding the amount of funding for New Homes Bonus that will be 'top sliced' from the mainstream Formula Grant in future years. Proposals are currently being developed for the use of New Homes Bonus including the ring-fencing of part of it for major infrastructure works and local community infrastructure funding. The Council is also currently committed to spending significant amounts within its Capital Programme towards the provision of affordable housing. Whilst this investment in new affordable housing will generate extra revenue through additional New Homes Bonus, this will not be sufficient to compensate for the additional borrowing costs. It is therefore proposed that the additional borrowing costs of the new affordable homes programme is met from the New Homes Bonus from 2012/13 onwards.
- 10.3 For the current year (2011/12) the Council has received New Homes Bonus of £389,165, which amounts to £2,334,990 over the full 6-year period. This was based upon 374 net additional homes per the between October 2009 and October 2010. The Council's valuation list in October 2011 showed 937 net additional homes compared to a year ago and this could generate additional New Homes Bonus of £933,500 next year and in total £5.6 million over the next 6 years. Based upon current forecasts it is also reasonable to assume that average New Homes Bonus would be £540,000 per annum in future years assuming that the scheme continues in its form. This is indicated in the table below:-

Year Paid	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
2011/12	389	389	389	389	389	389
2012/13		934	934	934	934	934
2013/14			540	540	540	540
2014/15				540	540	540
2015/16					540	540
2016/17						540
In Year Total	389	1,323	1,863	2,403	2,943	3,483
Cumulative	389	1,712	3,575	5,978	8,921	12,404

## 11. FUTURE SPENDING PRESSURES AND REVIEW OF THE MEDIUM TERM FINANCIAL PLANNING PROCESS

- 11.1 The Council has a medium term financial strategy that forms an integral part of its formal financial planning processes. The key elements of this strategy form part of the overall Budget Strategy that is approved by Council each year. As a brief reminder the Medium Term Financial Strategy contains the following key points:

- It sets out a 4 year revenue financial plan (covering the period to 2015/16)
- It identifies the likely level of grant support from the government
- Sets out the likely level of future council tax increases
- Identifies future service cost variations
- Identifies level of future investment income and costs of borrowing
- Takes into account the revenue consequences of the Capital Programme
- Identifies the future amount of efficiency savings/cost reductions required for a balanced budget

11.2 An updated medium term financial plan (MTFP) covering the period 2011/12 to 2015/16 is attached in Appendix 3.

11.3 Although the Council is required to approve an annual revenue budget it does also need to take into account future spending pressures and the likely level of available resources covered by its medium term financial plan. The latest forecast MTFP currently indicates that in addition to the savings proposed for next year the Council will need to reduce its revenue budget by a further £649,000 in 2013/14, £786,000 in 2014/15 and by a further £736,000 in of 2015/16. This would amount to **a cumulative reduction of £3.219 million over the next four years** as shown in the following table:-

Year	Required Savings £000
2012/13	1,048
2013/14	649
2014/15	786
2015/16	736
<b>Total</b>	<b>3,219</b>

11.4 Looking to the longer term there are a number of uncertainties and factors that could affect the future financial position. These include: the amount of grant support from central government after 2012/13, the level of future years' pension contributions, potential costs arising from the review of service plans, the cost of any new statutory functions, and additional borrowing and revenue costs in respect of any new capital programme commitments. Any additional revenue costs that are not currently identified within the medium term financial plan will now have to be met from further savings.

## 12. BALANCES AND RESERVES

12.1 The Council's current policy is such that the minimum level of the General Fund Balance will now be £2 million. This is considered a sufficient level taking into account the potential level of financial risk facing the Council in the medium term. The latest estimated position of the General Fund Balance is that it will be £4.114 million as at 31 March 2012, equivalent to 29.1% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will be reduced to the minimum recommended level of £2 million by the end of 2015/16.

- 12.2 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2012/13 includes a net transfer to earmarked reserves of £1,197,065. This is broken down as shown below:-

Transfer (from)/ to reserves:

	£
New Homes Bonus	1,247,665
Licensing	15,900
Planning Delivery Grant	(46,500)
Other	<u>(20,000)</u>
	<b>1,197,065</b>

### 13. REVENUE ESTIMATES 2012/13 (APPENDIX 4)

- 13.1 The Council's revenue estimates for next year are being considered during the current cycle of Scrutiny Committee meetings for the final budget report to the Executive on 7 February 2012. In total, Service Committee Expenditure for 2012/13 is £13,605,860 which is £244,040 more than the current year. A summarised breakdown of this increase is shown below: -

	£000's
Service Committee Expenditure 2011/12	13,361
Net Inflation Allocation	421
Increase in service costs	872
Savings arising from management restructure	(500)
Other revenue savings	<u>(548)</u>
Service Committee Expenditure 2012/13	13,606

- 13.2 In addition there are other items to take into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £150,000 for net borrowing in respect of the overall cash balances, £1,076,000 towards meeting the borrowing costs of the Council's capital programme, homelessness and new homes bonus grant and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2012/13 is planned to be £13,251,682, a decrease of £883,368 (6.2%) compared to 2011/12.

### 14. COUNCIL TAX BUDGET REQUIREMENT 2012/13

- 14.1 When the Formula Grant of £8,257,807 and special tax freeze grant of £237,283 are both taken into account the resultant net expenditure to be financed from council tax is £4,756,592 (as indicated in Appendix 4), a small increase of £19,788 (0.4%) compared to 2011/12.
- 14.2 Each year the Council must estimate the likely surplus or deficit position on its Collection Fund and any such amounts must be taken into account when determining the band D Council Tax amount for 2012/13. For next year the amount that must be taken into account by the City Council is a deficit of £17,415.
- 14.3 As indicated above it is proposed that the net expenditure to be funded by council tax for 2012/13 is £4,756,592. The deficit of £17,415 must be added to this amount to give a revised amount to be funded of £4,774,007. When the tax base of 38,241 divides this amount, the proposed band D council tax for 2012/13 will be £124.84, which means that council tax will be frozen at the 2011/12 level.

## **15. SUMMARY**

- 15.1 Although the final grant settlement figures from the Government are not expected to be available until the end of January it is unlikely that they will be significantly different from the provisional settlement figures used elsewhere in this report. Based on this and the proposed revenue estimates presented to each Scrutiny Committee the proposed council tax increase for next year will be nil.

## **16. RECOMMENDATION**

- 16.1 That Scrutiny Committee – Resources notes the recommendation to the Executive and comments accordingly.
- 16.2 Executive approves the Draft Revenue budget proposals for 2011/12 and that the recommended minimum level for the General Fund Working Balance remains at £2 million.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

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

None



## FORMULA GRANT DECREASES - DEVON AUTHORITIES

Authority	Adjusted Grant 2010/11 £m	Adjusted Grant 2011/12 £m	Yearly Decrease %	Provisional Grant 2012/13 £m	Yearly Decrease %	Grant Decrease 2010/11 - 2012/13 £m	%
Devon	211.585	184.056	-13.0%	171.281	-6.9%	-40.304	-19.0%
Plymouth	123.813	111.734	-9.8%	105.191	-5.9%	-18.622	-15.0%
Torbay	70.108	62.111	-11.4%	57.920	-6.7%	-12.188	-17.4%
East Devon	7.031	5.908	-16.0%	5.232	-11.4%	-1.799	-25.6%
<b>Exeter</b>	<b>10.690</b>	<b>9.235</b>	<b>-13.6%</b>	<b>8.258</b>	<b>-10.6%</b>	<b>-2.432</b>	<b>-22.8%</b>
Mid Devon	5.689	4.795	-15.7%	4.169	-13.1%	-1.520	-26.7%
North Devon	7.630	6.509	-14.7%	5.715	-12.2%	-1.915	-25.1%
South Hams	4.956	4.166	-15.9%	3.653	-12.3%	-1.303	-26.3%
Teignbridge	8.703	7.417	-14.8%	6.512	-12.2%	-2.191	-25.2%
Torridge	6.064	5.238	-13.6%	4.651	-11.2%	-1.413	-23.3%
West Devon	4.044	3.409	-15.7%	2.975	-12.7%	-1.069	-26.4%

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## REVENUE SPENDING POWER DECREASES - DEVON AUTHORITIES

Authority	Adjusted Revenue Spending Power 2011/12 £m	Revenue Spending Power 2012/13 £m	Revenue Spending Power Decrease £m	%
Devon	556.401	544.904	-11.497	-2.1%
Plymouth Torbay	227.873 133.311	221.462 129.133	-6.411 -4.178	-2.8% -3.1%
East Devon <b>Exeter</b>	13.106 <b>14.581</b>	12.431 <b>13.604</b>	-0.675 <b>-0.977</b>	-5.2% <b>-6.7%</b>
Mid Devon	10.096	9.470	-0.626	-6.2%
North Devon	12.505	11.711	-0.794	-6.3%
South Hams	9.492	8.975	-0.517	-5.4%
Teignbridge	15.085	14.181	-0.904	-6.0%
Torrige	8.794	8.208	-0.586	-6.7%
West Devon	7.487	7.054	-0.433	-5.8%

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## MEDIUM TERM REVENUE PLAN (2011/12 - 2015/16)

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
<b>Resources</b>					
Central Government Support	9,280	8,258	8,180	7,483	7,483
Extra grant to compensate for council tax freeze	118	237	118	118	0
Council Tax - nil increase 2012/13 and 2.5% from 2013/14	4,737	4,757	4,930	5,091	5,258
<b>Likely resources</b>	<b>14,135</b>	<b>13,252</b>	<b>13,228</b>	<b>12,692</b>	<b>12,741</b>
<b>Expenditure</b>					
<b>Service expenditure</b>					
Committee expenditure base budget	12,856	12,856	13,101	12,052	11,566
Inflation		421	200	300	300
Potential increase in service costs		872	(100)	0	0
Identified reductions / additional income		(1,048)	(500)	0	0
Supplementary Budgets	12,856	13,101	12,701	12,352	11,866
AIM Carry Forward	107				
Net Interest	40				
Estimated overspend	136	150	150	150	150
Repayment of capital borrowing	384				
Costs of organisational restructure not capitalised	920	1,076	1,376	1,576	1,676
	300				
	14,743	14,327	14,227	14,078	13,692
<b>Other funding</b>					
New Homes Bonus	(389)	(1,323)			
Contribution to/ (from) earmarked reserves	(140)	1,197	0	0	0
Contribution to/ (from) balances - Other	(79)	(949)	(350)	(600)	(215)
	(608)	(1,075)	(350)	(600)	(215)
<b>Additional savings required</b>		<b>0</b>	<b>(649)</b>	<b>(786)</b>	<b>(736)</b>
<b>Total Net Budget</b>	<b>14,135</b>	<b>13,252</b>	<b>13,228</b>	<b>12,692</b>	<b>12,741</b>
Opening General Fund Balance	4,193	4,114	3,165	2,815	2,215
Closing General Fund Balance	4,114	3,165	2,815	2,215	2,000
Balance as a percentage of budget	29.1%	23.9%	21.3%	17.5%	15.7%

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## DRAFT 2012/13 GENERAL FUND ESTIMATES

	2011/12 BUDGET £	2012/13 BUDGET £	CHANGE £	%
Scrutiny - Community	13,428,520	13,578,000	149,480	
Scrutiny - Economy	(2,256,560)	(2,537,130)	(280,570)	
Scrutiny - Resources	5,547,950	6,094,780	546,830	
Senior Management Restructure	(333,400)	(500,000)	(500,000)	
FRS17 Pension Adjustment	(3,024,690)	0	333,400	
Less Notional Capital Charges		(3,029,790)	(5,100)	
<b>SERVICE ESTIMATES TOTAL</b>	<b>13,361,820</b>	<b>13,605,860</b>	<b>244,040</b>	<b>1.8%</b>
Net Interest	100,000	150,000	50,000	
Minimum Revenue Provision	1,070,000	1,076,000	6,000	
<b>SERVICE ESTIMATES NET EXPENDITURE</b>	<b>14,531,820</b>	<b>14,831,860</b>	<b>300,040</b>	<b>2.1%</b>
Homelessness Grant	(505,470)	(505,470)	0	
New Homes Bonus		(1,322,665)	(1,322,665)	
Transfer to/(from) working balance	227,700	(949,108)	(1,176,808)	
Transfer to/(from) earmarked reserves	(119,000)	1,197,065	1,316,065	
<b>GENERAL FUND EXPENDITURE</b>	<b>14,135,050</b>	<b>13,251,682</b>	<b>(883,368)</b>	<b>(6.2)%</b>
Formula Grant	(9,279,790)	(8,257,807)	1,021,983	(11.0)%
Council Tax Freeze Grant	(118,456)	(237,283)	(118,827)	
<b>COUNCIL TAX NET EXPENDITURE</b>	<b>4,736,804</b>	<b>4,756,592</b>	<b>19,788</b>	<b>0.4%</b>

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## Budget Consultation – 2012/13 Final Report

### Methodology

The consultation was based around a simple survey, asking respondents about their spending priorities for 32 identified lines of Council spending. These budget lines are the same as those used in the 2011/12 Budget consultation.

The survey was made available online and as a paper copy. It was promoted by a number of means:

- Express & Echo
- Display in the Customer Service Centre and consultation exercise with Lead Councillors
- Consultation exercise in Bedford Square with Lead Councillors
- Home page of the City Council website
- Social media (Twitter/Facebook)

It was also sent out to the Wavelength panel.

Responses received: **768**

Wavelength: **687**

Standalone survey: **81**

To take account of any inherent bias in the sample (older people are more likely to participate than younger age groups) a simple weighting has been applied to the data. This evens out bias to give a result that is more representative of Exeter's demographic profile.

### Results

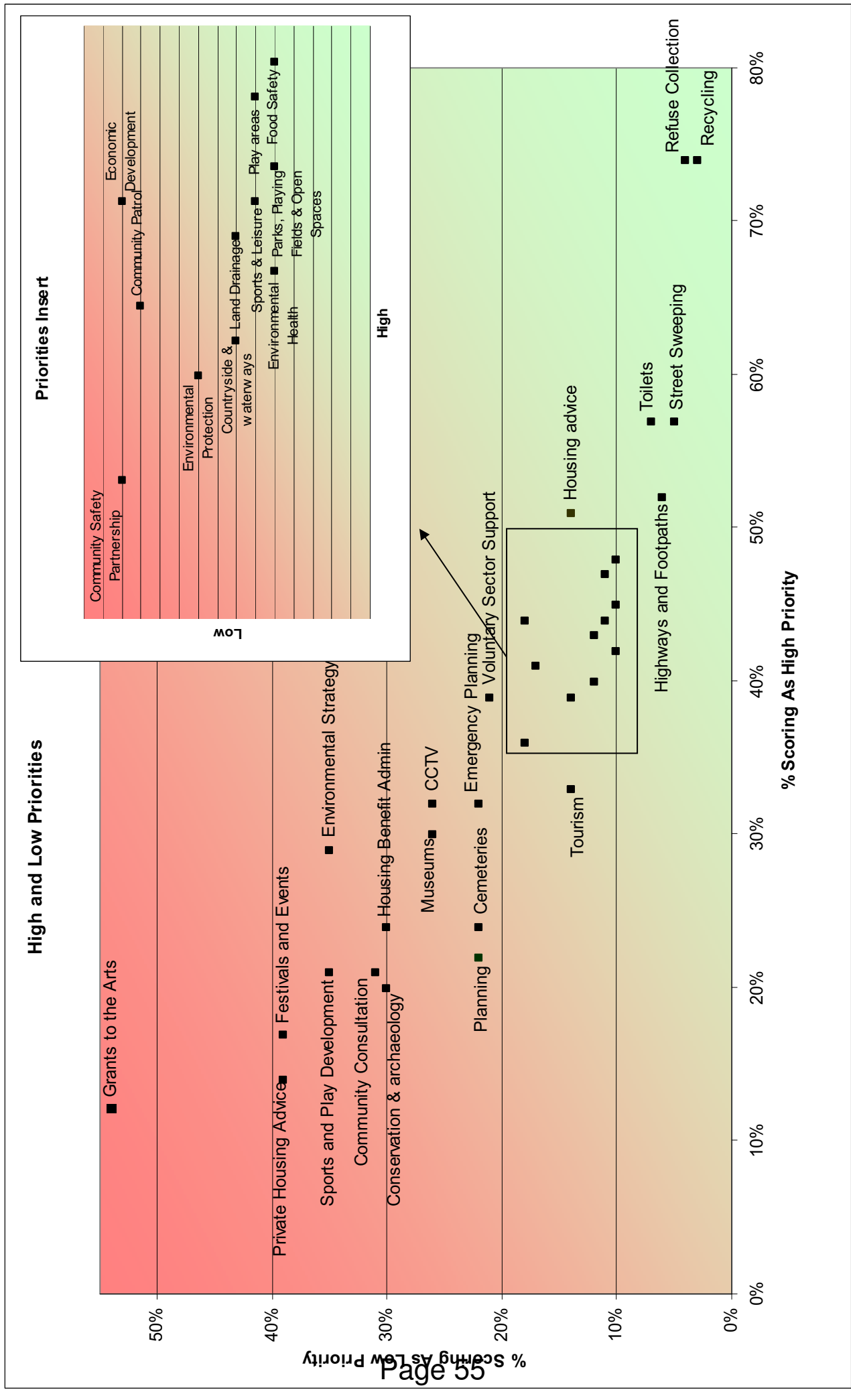
The basic results are reported below in an exact copy of the survey form. Respondents were asked to rate whether each budget area was a High, Medium or Low spending priority.

Service	Spending	Income	Net cost	High	Medium	Low
<b>Museums and heritage</b>						
<b>Museums</b> including the Royal Albert memorial Museum and St Nicholas Priory	2,975,050	952,860	2,022,190	30%	44%	26%
<b>Conservation and archaeology</b>	810,400	611,420	198,980	20%	50%	30%
<b>Arts and Festivals</b>						
<b>Grants to the arts</b>	293,100	0	293,100	12%	34%	54%
<b>Festivals and events</b>	408,070	201,760	206,310	17%	44%	39%
<b>Economy and tourism</b>						
<b>Economic development</b> including support for major projects such as the Science Park, the Skypark and improvements to jctn 29	787,120	147,940	639,180	44%	37%	18%
<b>Tourism</b> including tourist information and the Underground Passages	627,130	184,210	442,920	33%	53%	14%
<b>Leisure and recreation</b>						
<b>Play areas</b> – providing play areas across the city	165,530	0	165,530	47%	42%	11%
<b>Parks, playing fields and open spaces</b> – maintenance and development including skateparks, tennis courts and floral displays	1,744,020	151,140	1,592,880	45%	44%	10%
<b>Sports facilities, leisure centres and swimming pools</b> including Pyramids, Clifton Hill, Northbrook golf course	444,560	320,590	123,970	44%	45%	11%

<b>Countryside and waterways</b> including the valley parks and Exeter canal	658,910	202,480	456,430	<b>40%</b>	<b>48%</b>	<b>12%</b>
<b>Sport and play development</b>	146,740	16,020	130,720	<b>21%</b>	<b>44%</b>	<b>35%</b>
<b>Waste collection and recycling</b>						
<b>Refuse collection</b> – household and business black bin collections	1,601,090	51,450	1,549,640	<b>74%</b>	<b>22%</b>	<b>4%</b>
<b>Recycling</b> – green and brown bin collections, 90 recycling points and collection of clinical waste such as needles	1,182,780	845,180	337,600	<b>74%</b>	<b>23%</b>	<b>3%</b>
<b>Clean and well maintained environment</b>						
<b>Toilets</b>	410,330	15,000	395,330	<b>57%</b>	<b>36%</b>	<b>7%</b>
<b>Street Sweeping</b>	1,284,130	0	1,284,130	<b>57%</b>	<b>39%</b>	<b>5%</b>
<b>Environmental protection</b>						
<b>Litter enforcement, dog wardens and pest control</b>	227,250	97,780	129,470	<b>39%</b>	<b>47%</b>	<b>14%</b>
<b>Food safety</b> – inspections of restaurants and caterers	284,580	600	283,980	<b>48%</b>	<b>42%</b>	<b>10%</b>
<b>Environmental strategy</b> and work to combat climate change	213,600	33,950	179,650	<b>29%</b>	<b>35%</b>	<b>35%</b>
<b>Environmental health</b> – pollution control, air quality, health & safety	349,160	46,650	302,510	<b>42%</b>	<b>48%</b>	<b>10%</b>
<b>Land drainage</b> including flood prevention	123,000	0	123,000	<b>43%</b>	<b>45%</b>	<b>12%</b>
<b>Community safety</b>						
<b>Community patrol</b>	249,960	4,300	245,660	<b>41%</b>	<b>42%</b>	<b>17%</b>
<b>CCTV</b> – providing, maintaining and monitoring CCTV cameras	696,930	95,500	601,430	<b>32%</b>	<b>42%</b>	<b>26%</b>
<b>Community Safety Partnership</b> contribution to providing community safety with police and others	53,650	0	53,650	<b>36%</b>	<b>46%</b>	<b>18%</b>
<b>Emergency Planning</b> – making sure the Council can support the city in an emergency	31,430	0	31,430	<b>32%</b>	<b>46%</b>	<b>22%</b>
<b>Bereavement Services</b>						
<b>Cemeteries</b> – providing and maintaining Higher, Exwick and Topsham cemeteries	541,020	255,370	285,650	<b>24%</b>	<b>54%</b>	<b>22%</b>
<b>Transport and Highways</b>						
<b>Highways and footpaths</b> – maintaining council owned roads and paths	220,390	0	220,390	<b>52%</b>	<b>42%</b>	<b>6%</b>
<b>Planning services</b>						
<b>Planning</b> including planning applications, appeals, conservation and planning for the future	1,650,680	503,720	1,146,960	<b>22%</b>	<b>57%</b>	<b>22%</b>
<b>Housing Services</b>						
<b>Housing advice and enabling</b> including prevention of homelessness	4,383,230	3,145,830	1,237,400	<b>51%</b>	<b>35%</b>	<b>14%</b>
<b>Private sector housing</b> – monitoring and advice to landlords and improvement grants	470,140	122,970	347,170	<b>14%</b>	<b>47%</b>	<b>39%</b>
<b>Housing benefit</b> administration	518,420	0	518,420	<b>24%</b>	<b>46%</b>	<b>30%</b>
<b>Community Support</b>						
<b>Community consultation and involvement</b> Wavelength and community engagement	146,810	0	146,810	<b>21%</b>	<b>49%</b>	<b>31%</b>
<b>Voluntary sector support</b> – including grants to voluntary and community groups such as CAB	268,480	0	268,480	<b>39%</b>	<b>40%</b>	<b>21%</b>

By plotting the High score against the Low score for each area on a chart (see next page) it is possible to see where people's priorities lie. Budget areas in the bottom right corner of the graph have a more positive score than budget areas in the top left.

The chart below shows the balance between the Low Priority and High Priority score for each budget area. The area in the centre is shown as an insert because the labels will not fit on the main chart.



Another way to make sense of the data is to take the Low score away from the High score. This yields a Net Approval score.

	High	Medium	Low	Net approval score
Recycling	74%	44%	3%	<b>71%</b>
Refuse Collection	74%	50%	4%	<b>70%</b>
Street Sweeping	57%	34%	5%	<b>52%</b>
Toilets	57%	44%	7%	<b>50%</b>
Highways and Footpaths *	52%	37%	6%	<b>46%</b>
Food Safety	48%	53%	10%	<b>38%</b>
Housing advice	51%	42%	14%	<b>37%</b>
Play Areas	47%	44%	11%	<b>36%</b>
Parks, Playing Fields & Open Spaces	45%	45%	10%	<b>35%</b>
Sports and Leisure Facilities	44%	48%	11%	<b>33%</b>
Environmental Health	42%	44%	10%	<b>32%</b>
Land Drainage	43%	22%	12%	<b>31%</b>
Countryside and Waterways	40%	23%	12%	<b>28%</b>
Economic Development	44%	36%	18%	<b>26%</b>
Environmental protection	39%	39%	14%	<b>25%</b>
Community Patrol	41%	47%	17%	<b>24%</b>
Tourism	33%	42%	14%	<b>19%</b>
Voluntary Sector Support	39%	35%	21%	<b>18%</b>
Community Safety Partnership	36%	48%	18%	<b>18%</b>
Emergency Planning	32%	45%	22%	<b>10%</b>
CCTV	32%	42%	26%	<b>6%</b>
Museums	30%	42%	26%	<b>4%</b>
Cemeteries	24%	46%	22%	<b>2%</b>
Planning	22%	46%	22%	<b>0%</b>
Environmental Strategy	29%	54%	35%	<b>-6%</b>
Housing Benefit Admin	24%	42%	30%	<b>-6%</b>
Conservation & archaeology	20%	57%	30%	<b>-10%</b>
Community Consultation	21%	35%	31%	<b>-10%</b>
Sports and Play Development	21%	47%	35%	<b>-14%</b>
Festivals and Events	17%	46%	39%	<b>-22%</b>
Private Housing Advice	14%	49%	39%	<b>-25%</b>
Grants to the Arts	12%	40%	54%	<b>-42%</b>

- The budget line refers to 'maintaining council owned roads and footpaths'. There is a strong possibility that respondents are confusing this with the wider road and pavement network which is maintained by Devon County Council.

#### Key findings

- **Top priority is refuse collection and recycling. This is consistent with previous survey work, including the budget consultation carried out in 2010.**
- **Lowest priority is grants to the arts. This is also consistent with previous survey work.**
- **We cannot draw any conclusions as to why respondents have returned the figures they have.**

## Breakdown by gender

The table below shows Net Approval by gender.

	Net approval MALE	Net approval FEMALE	M/F gap	Who values most?
Community Patrol	8%	36%	28	F
Environmental Health	20%	40%	20	F
Land Drainage	21%	40%	19	F
Housing Benefit Admin	-15%	4%	19	F
Environmental Strategy	-16%	2%	18	F
Parks, Playing Fields & Open Spaces	26%	43%	17	F
Housing advice	28%	45%	17	F
Refuse Collection	61%	77%	16	F
CCTV	-3%	13%	16	F
Toilets	41%	56%	15	F
Street Sweeping	44%	59%	15	F
Emergency Planning	3%	18%	15	F
Food Safety	31%	45%	14	F
Community Safety Partnership	10%	24%	14	F
Planning	-8%	6%	14	F
Sports and Leisure Facilities	27%	39%	12	F
Sports and Play Development	-20%	-8%	12	F
Recycling	64%	76%	12	F
Voluntary Sector Support	12%	23%	11	F
Environmental protection	20%	30%	10	F
Cemeteries	-3%	7%	10	F
Highways and Footpaths	42%	52%	10	F
Countryside and Waterways	23%	32%	9	F
Private Housing Advice	-29%	-20%	9	F
Economic Development	30%	22%	8	M
Festivals and Events	-19%	-26%	7	M
Play Areas	31%	38%	7	F
Conservation & archaeology	-8%	-13%	5	M
Community Consultation	-8%	-12%	4	M
Museums	3%	6%	3	F
Tourism	19%	21%	2	F
Grants to the Arts	-42%	-42%	0	=

### Key Findings

- Of the 32 budget areas, 27 were more highly valued by women than men. This is consistent with previous budget consultation work
- There were significant gaps between the Net Approval of men and women for the majority of budget areas
- The biggest difference between male and female respondents was over the Community Patrol, where Net Approval by women was 36%, as opposed to 8% for men
- It is difficult to draw any firm conclusions from this data. However, it would be reasonable to infer that female respondents are more likely to value the services provided by ECC

## Breakdown by age group

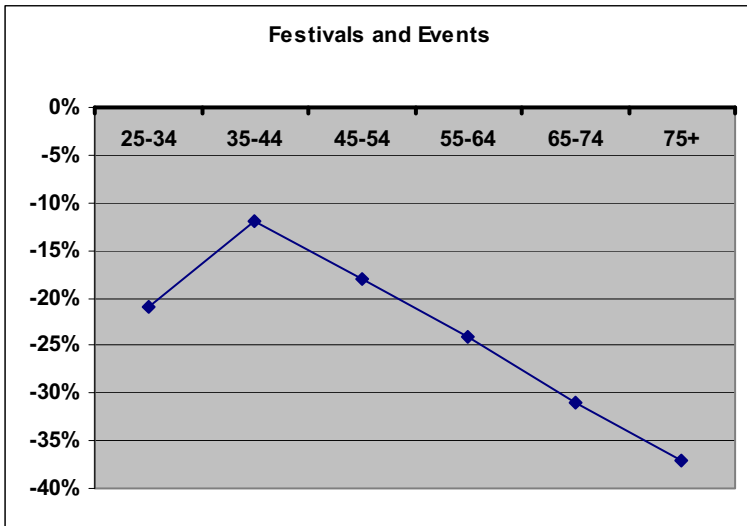
The following table shows the Net Approval for each budget area, broken down by age group. The age group 18-24 has been omitted because there were so few responses returned that it is impossible to provide meaningful analysis.

	Net Approval by age group					
	25-34	35-44	45-54	55-64	65-74	75+
Museums	-6%	4%	18%	8%	-3%	8%
Conservation & archaeology	-4%	-23%	-4%	-3%	-18%	-17%
Grants to the Arts	-49%	-39%	-34%	-41%	-42%	-44%
Festivals and Events	-21%	-12%	-18%	-24%	-31%	-37%
Economic Development	45%	23%	21%	12%	23%	19%
Tourism	23%	29%	14%	18%	13%	12%
Play Areas	21%	56%	35%	39%	35%	23%
Parks, Playing Fields & Open Spaces	29%	43%	41%	38%	37%	28%
Sports and Leisure Facilities	30%	40%	44%	35%	30%	14%
Countryside and Waterways	25%	33%	34%	38%	22%	7%
Sports and Play Development	-27%	-11%	-11%	-6%	-1%	-15%
Refuse Collection	61%	62%	73%	77%	79%	76%
Recycling	69%	67%	70%	76%	73%	70%
Toilets	33%	40%	47%	65%	59%	73%
Street Sweeping	55%	45%	48%	56%	57%	52%
Environmental protection	17%	26%	25%	29%	36%	29%
Food Safety	31%	34%	28%	47%	49%	54%
Environmental Strategy	6%	15%	-11%	-15%	-16%	-27%
Environmental Health	38%	30%	26%	30%	32%	29%
Land Drainage	32%	30%	25%	26%	39%	39%
Community Patrol	12%	29%	16%	38%	30%	24%
CCTV	2%	0%	-6%	14%	14%	20%
Community Safety Partnership	4%	23%	9%	31%	24%	25%
Emergency Planning	-7%	3%	16%	24%	22%	24%
Cemeteries	-19%	-5%	10%	17%	12%	19%
Highways and Footpaths	39%	52%	44%	48%	59%	42%
Planning	-4%	2%	-9%	1%	9%	2%
Housing advice	31%	40%	33%	43%	42%	25%
Private Housing Advice	-31%	-25%	-27%	-13%	-24%	-21%
Housing Benefit Admin	-17%	-10%	-1%	3%	2%	7%
Community Consultation	-29%	-5%	-2%	-4%	-1%	-12%
Voluntary Sector Support	2%	23%	27%	32%	19%	10%

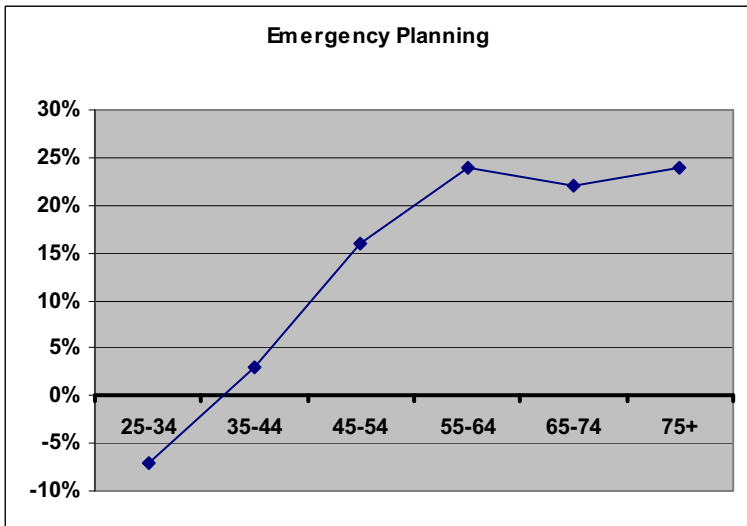
In order to make sense of this information the data has been plotted onto graphs. In many cases there is little variance between age groups. For some budget areas however, there is a clear trend across age groups and these graphs are reproduced below.

The **bold** line across each graph shows the age groups and marks the 0% line. The data points for some budget areas may be entirely below the 0% line, indicating that all age groups returned a negative Net Approval.

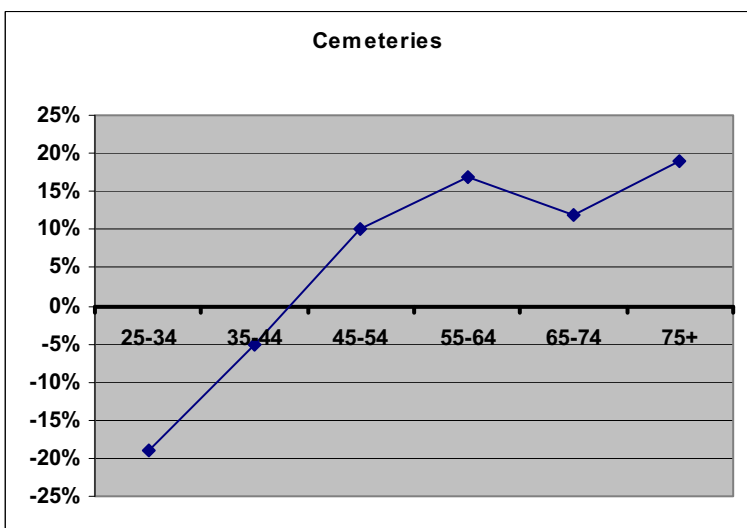
The graph for Festivals & Events shows the clearest possible trend, a straight line down from the 35-44 age group at -12% to the 75+ age group at -37%. The older the respondent, the less likely they are to value this budget area.



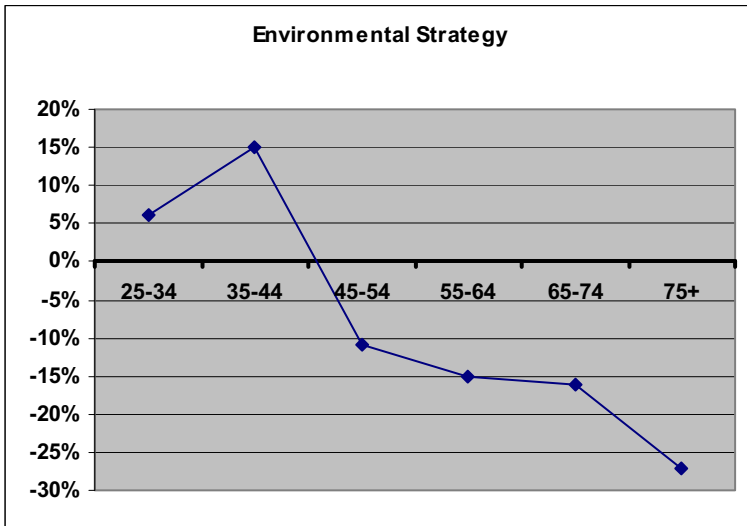
The opposite is true of Emergency Planning. Here the Net Approval goes from -7% among 25-34 year olds up to 24%. The score plateaus, with similar Net Approval scores for the three oldest age groups, but clearly appreciation of Emergency Planning increases with age. There is a huge gap (31 percentage points) between the lowest and highest Net Approval scores.



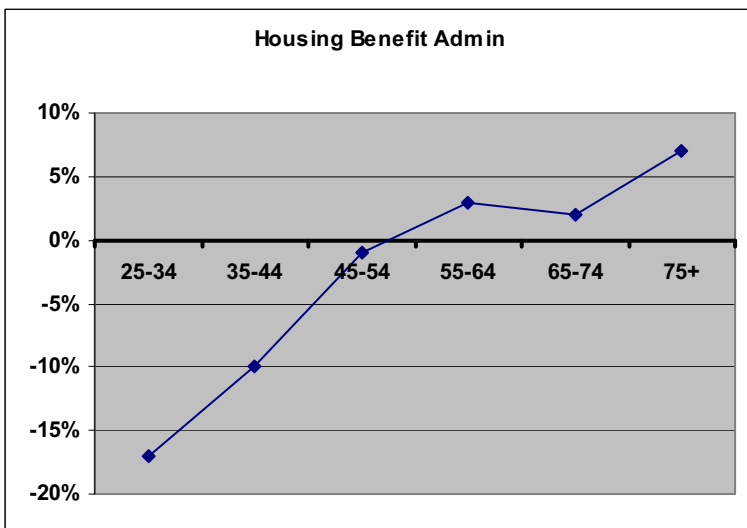
Another service that seems to be appreciated more with age is Cemeteries. Here the Net Approval goes from -19% to 19%, a span of 38 percentage points.



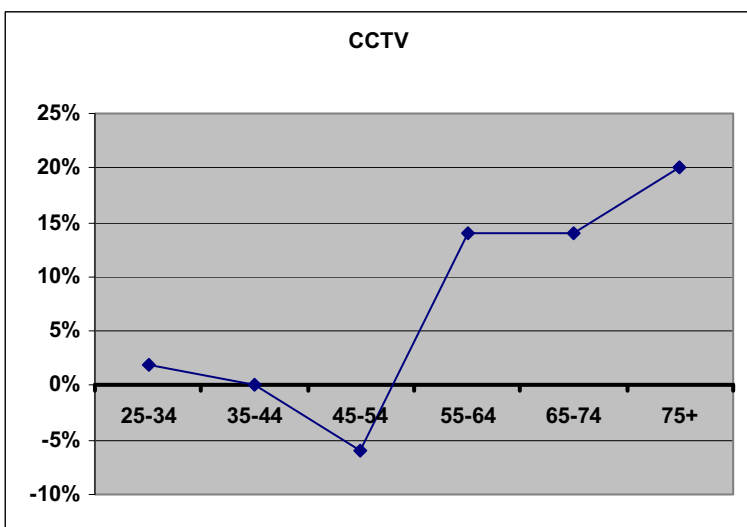
Environmental Strategy shows a clear drop in support with increasing age. The two youngest age groups have a positive Net Approval but this drops sharply and continues down to a low of -27% for the 75+ group.



Housing Benefit Administration shows a steady rise, from -17% to 7%.



Finally, CCTV seems to be appreciated more by older respondents, although there is a noticeable dip in Net Approval by the 45-54 age group.



Although these graphs show interesting trends they don't offer an explanation of the underlying reasons for the trend. For example they don't tell us **why** people have a greater appreciation of Cemeteries and Emergency Planning as they get older. It is tempting to come up with 'common sense' explanations, but these may not be accurate and should be treated with caution.



## Comments

A total of **168** comments were received from the Wavelength survey.

The majority of the comments have been put into at least one category if not more. The table below shows the number of comments for each theme.

Theme	Number
Reduce costs	31
Staff	27
Increase charges/revenue	26
Devon County Council functions	26
Invest or maintain spending	20
Reduce arts funding	18
Utilise volunteers or those on community service	16
Positive comments about the Council	10

### Reduce costs

Comments around this theme suggested reducing costs in a range of areas as well as reducing the level of service on offer:

- *CCTV budget is disproportionately high*
- *Encourage indoor staff to wear warmer clothes so reduce temperature.*
- *Keep bin collections fortnightly (not for black bags)*
- *Reduce transport fleet*
- *Parks department are still cutting grass and hedges in areas where it would be far better for the environment as well as saving money if left alone.*
- *Reduce the amount that is paid to councillors and also their number*

### Staff

There were a range of negative comments about staffing:

- *In the current climate, the trial of Saturday morning opening of the CSC has been wholly inappropriate*
- *Stop gold plated pensions, early retirements on ill health, generous redundancy payments etc*
- *Cut down on bureaucracy & paperwork*
- *Need to reduce sums paid to consultants - don't we have managers with appropriate experience / qualifications able to make decisions*

Respondents encouraged further cuts to management costs and asking staff how to save money.

### Increase charges/revenue

Some respondents highlighted opportunities to raise money and involve businesses:

- *As many activities should be made self funding as possible*
- *Revenue should come from the users of the facility*
- *More and bigger fines for littering and fly tipping*
- *Economic development should be paid for by businesses who stand to make a profit by a retrospective levy once they are up and running*
- *Can the fee for planning applications be increased*
- *More traffic enforcement officers*
- *Encourage tourism.*

### Invest or maintain

In contrast to those who suggested reduction in costs and service, some suggested maintaining many services or even investing:

- *Don't let the green spaces in the streets be left to overgrow for another year. The image it gives of Exeter is not great*
- *This is essential expenditure rather than savings*
- *The Council must invest in and prioritise projects that maintain or improve employment prospects.*

## Reduce arts funding

Although a few opposed cuts to the arts far more were in favour stating:

- *Avoid arts/festival spending, museum spending disgusting - an expensive luxury*
- *Do not buy and install any more 'art' items in the streets*

One of the more constructive suggestions by a few respondents was to have a donation box at RAMM.

## Utilise volunteers and those on community service

- *Ask volunteers to maintain cemeteries and parks*
- *Encourage voluntary/community groups to run community projects and facilities*
- *Enforce public spaces cleaning by the offenders who are on community service*
- *People doing community service could clean streets/pavements/footpaths*

## Generally positive about the Councils efforts

- *I think the Council are doing a very good job*
- *Council services are still good value for money*
- *By and large you are doing a good job under very difficult circumstances*
- *Congratulations for listening to last Wavelength views /opinions.*

As in the previous consultation, there were a number of comments about Devon County Council functions (26):

- Reduce the hours of street lighting operation
- Reduce the hours that traffic lights operated
- Protect services for older people
- Protect services for younger people
- Highways work is not a priority

Continuing from the last consultation:

- *there is still a view from the public that the City and the County are at loggerheads regularly. This being the case then it must stop and the close cooperation that ensues must make for less wasted time = ££.*

There is divided opinion over the development of the bus station:

- *Bus station gives wrong impression of Exeter. Needs a lick of paint and clean up urgently.*
- *Regeneration of bus station should include contribution from Stagecoach*
- *Shelve the re-development of the bus station*
- *What is wrong with bus station?*

The comments are broadly consistent with those received during last year's budget consultation. However, it would be fair to say that the tone is less hostile and more constructive. In particular some respondents appreciated that the response to last year's consultation had a direct effect on Council operations. However, it should be pointed out that last year's consultation drew in a much larger response. The current consultation relies much more heavily on responses from the Wavelength panel, who are likely to be more engaged with the council and hence more sympathetic.

## Key points

- **Although respondents still expressed concern at cuts, there was praise for reacting to the previous consultation.**
- **Specific suggestions include: stopping Saturday opening of CSC, suggested donation at RAMM, increased charges for planning and increasing the involvement of the business and voluntary sectors.**
- **There are respondents who feel the vast majority of services listed are essential and should not be cut.**

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 25 JANUARY 2012

#### ESTIMATES 2012/13

#### 1. INTRODUCTION

- 1.1 Attached are the draft estimates for 2012/13, which were discussed at an informal meeting of Scrutiny Committee - Resources on 12 December 2011.
- 1.2 This report outlines the strategic framework within which the estimates have been prepared, changes in accounting practices, which affect all budgets and detailed reasons for any significant changes in the Management Unit estimates.
- 1.3 The draft estimates that are presented reflect the current committee and management structure arrangements. In due course, the Council's budgets will need to be redesigned to reflect the new management structure and changes arising from the systematic review of services.

#### 2. BUDGET FRAMEWORK

- 2.1 With regard to inflation, an overall allowance of £421,000 has been set aside for next year. This includes an assumption with regard to increases in pay and increases for utility costs and contracts being offset by increases for fees and charges. For the following three years an overall inflation allowance of £400,000 has been included for planning purposes. The inflationary assumptions that have been included for next year are as follows:

- Pay 3.0% - to cover any pay award and increments
- Gas and Electricity 10.0%
- Water 7.0%
- Insurance 3.0%
- Rates 2.0%
- Fuel 12.0%
- General Inflation 1.0% - see para 2.3 below
- Income (excluding car parks) 4.0%

- 2.2 There has been no offer of an increase in pay for 2011/12. Unions have submitted a pay claim for 2012/13 asking for a substantial increase, although this has not been quantified. The Chancellor of the Exchequer has however more recently announced in his Autumn Statement that there should be a further restraint of all public sector pay with a 1% cap on public sector pay rises for two years after the end of the current freeze next year (2012/13). Currently most local government employees have already had two years of a pay freeze and for senior managers this is the third year of a pay freeze.

- 2.3 As a means of finding efficiency savings many non-pay budgets will again not be fully increased for inflation. There will be some exceptions to this in particular where there are ongoing contractual arrangements in place and where the Council has to meet the full price increase e.g. insurance and fuel. Recently released figures show that the rate of Consumer Prices Index (CPI) inflation in the UK fell again slightly for the second month running to 4.8% during November, down from a rate of 5.0% the month before. Although the rate of inflation still remains well above the Bank of England's target of 2% there is an expectation that it will begin to fall more sharply after January.
- 2.4 With regard to interest rates, the Bank of England has held the base rate of interest at only 0.5% since March 2009. Although many analysts are predicting that interest rates could start rising towards the end of 2012/13 they are likely to remain at their historically low levels for much of the year. The low levels of interest rates affect the City Council in a number of ways. On the negative side the Council has to assume lower investment returns on cash deposits in comparison with previous years. This has also been exacerbated by the continuing lack of confidence within some parts of the banking sector. The likelihood is that investment returns will continue to be low. Conversely on the positive side, the low interest rates also mean that the cost of borrowing is much less than it has been in the past.
- 2.5 The Government has announced the provisional local government finance settlement for 2012/13 which was in line with previous forecasts. For Exeter the guideline figures are as follows:
- Formula Grant 2012/13 £8,257,807 (decrease 10.6% against 2011/12 'adjusted' formula grant )
- The provisional settlement now indicates that in overall cash terms our 2012/13 grant will decrease by £977,419 against the 2011/12 adjusted grant amount of £9,235,226.
- 2.6 On 3 October 2011, the Chancellor of the Exchequer announced an £805m fund for local authorities freezing council tax next year. All billing and major precepting authorities who freeze or reduce their council tax next year will receive additional funding equivalent to raising their council tax by 2.5%. Fire and police authorities will receive funding equivalent to a 3% raise. However unlike the extra grant available to fund the 'freezing' of council tax in the current year which was provided for 4 years to the end of the spending review period, this additional money announced will be available for one year only. For the purposes of the revised medium term financial plan it has been assumed that the Council will freeze council tax again next year. It is estimated that the extra grant to compensate for freezing council tax again next year will be about £120,000.
- 2.7 The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. The scheme provides local authorities with a New Homes Bonus grant, equal to the national average for the council tax band on each additional property and paid for the following six years as an un-ring-fenced grant. There will be an enhancement for affordable homes. DCLG has allocated nearly £200m to fund the scheme fully in 2011/12. For the following three years of the spending review (2012/13 to 2014/15) they have allocated £250m per annum with funding beyond these levels to come from Formula Grant.

- 2.8 For the current year (2011/12) the Council has received New Homes Bonus of £389,165, which amounts to £2,334,990 over the full 6-year period. This was based upon 374 net additional homes per the between October 2009 and October 2010. The Council's valuation list in October 2011 showed 937 net additional homes compared to a year ago and this could generate additional New Homes Bonus of almost £935,000 next year and in total £5.6 million over the next 6 years. Based upon current forecasts it is also reasonable to assume that average New Homes Bonus would be £540,000 per annum in future years assuming that the scheme continues in its current form.
- 2.9 It is expected that the available resources for the General Fund Capital Programme (other than borrowing) over the next 5 years will total about £5.5 million and the capital programme that can be funded other than by borrowing is therefore still quite substantial. In terms of the General Fund, the currently approved capital programme and proposed new bids total almost £20.3 million over the next 5 years with a resultant borrowing requirement of £14.7 million. However, the current extra revenue cost of borrowing is between £50,000 and £60,000 for each £1 million that is borrowed and this therefore means that the potential future borrowing costs of the Council's capital programme are significant. A list of the proposed new schemes for Resources Scrutiny Committee is attached at Appendix 2.
- 2.10 The changes in respect of 2012/13 Fees and Charges for the budget are included at Appendix 3.
- 2.11 As FRS 17 / IAS 19 pension charges do not affect the Council Tax it has been decided to remove these notional costs from the estimates and this will reduce the budget volatility that can be caused by these charges.

### **3. REVENUE BUDGET SAVINGS**

- 3.1 The Council's budget proposals for 2011/12 included a package of measures to save some £2.421 million. As part of the overall budget proposals for next year, the Council is required to find further revenue savings of at least £1 million of which it is anticipated that £500,000 will be met from the current management restructure. The Council has already started the process of making changes to the senior management structure and it is intended that all the new arrangements will be in place by 1 April. However whilst this process is still ongoing, by necessity this means that the draft estimates cannot fully reflect the finalised position of the revised senior management structure. The estimates will therefore only include an overall savings amount of £500,000 for the senior management restructure.

### **4. KEY REVENUE BUDGET CHANGES PROPOSED FOR 2012/13**

- 4.1 The Revenue budgets are attached at Appendix 1. The proposed budgets reflect a combination of budget changes and savings and the key changes are as follows:

#### **86A1 REVENUE COLLECTION & BENEFITS**

The estimate for Housing Benefit payments has been increased to reflect the outturn forecast for 2011/12 plus case load and price increases for 2012/13 as follows:

- Rent Allowances + 4.57%
- Council Tax Benefits + 1.11%
- Rent Rebates + 9.11%
- Non HRA Rebates + 8.45%

Discretionary Housing Payments have been increased to £103,760. The Housing Benefits subsidy has been amended to reflect the above increases in line with the 2011/12 performance.

There has been an overall increase in the cost of administering Revenue Collection and Benefits, largely due to a review of the recharges from the Customer Services Centre, see also 86B1 Treasury Services below. The overall net increase in Revenue Collection and Benefits is £432,160 which is 0.8% of the total cost of £51.152m

#### **86A2 ELECTIONS & ELECTORAL REGISTRATION**

There are Exeter City Council elections planned for May 2012 and it had been assumed in the original budget calculations that there would have been Police Commissioner elections held at the same time, thereby saving an estimated £40,000. However, these elections are now proposed to take place in November 2012 so there will no longer be any savings.

Recent guidance on the conduct of elections has placed additional responsibilities on the Council for running elections and it is estimated that has added to costs by £15,000.

#### **86A3 CORPORATE**

There has been a decrease in the corporate cost allocation from 86B1 Treasury Services management and 86B8 Chief Executive Services due to budget reductions and efficiency savings.

#### **86A4 CIVIC CEREMONIALS**

Savings have been made following a reorganising of the staffing of Civic Ceremonials although this has been partially offset by an estimated reduction in income from Guildhall lettings.

#### **86A5 DEMOCRATIC REPRESENTATION**

There has been a pay inflation provision made in the budget for Members' Allowances in 2012/13, but the actual recommendation of any changes to payments will come from the independent review panel and determined by full Council.

#### **86A6 GRANTS/CENTRAL SUPPORT/CONSULTATION**

Additional rate relief has been granted to businesses and charitable organisations as a result of the economic downturn.

There have been some increases in rent grants approved by Grants Committee that are matched by rental income received in other cost centres within the council.

The cost of Community Safety has reduced following a redundancy in 2011.

## **86A7 UNAPPORTIONABLE OVERHEADS**

There is a balance on Central Support Services and the AIM Fund contingency that appear within Unallocated Central Costs. The actual users of these services will be recharged during 2012/13.

### **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 to be recharged back to the users of the services in 2012/13:

## **86A8 CHIEF EXECUTIVE SERVICES**

The staffing and operational costs of Chief Executive's Services have been reviewed and have resulted in budget savings, despite some increased costs in producing the Exeter Citizen each quarter, due mainly to increased postage costs.

## **86A9 STRATEGIC / COMMUNITY PARTNERSHIPS**

This management unit brings together the Council's community partnerships with the police, health authorities and other councils to establish strategies and programmes within the Exeter area. External project funding and the Area Based Grant that the Council used to receive have now ceased so only the estimated cost of administering cost centre S078 ASB Co-ordinator is shown within management unit 86A6 above.

## **86B1 TREASURY SERVICES**

The staffing and operational review of costs in Treasury Services has resulted in budget savings overall, despite the cost of Council Tax Collection and Benefits Administration increasing; this is due to an increased share of the Customer Service Centre reallocation arising from the loss of work in respect of the issuing of resident parking permits.

Part of the budget for postage costs within cost centre T051 Mail have been transferred to Treasury Services as some of the printing, enveloping and posting work for Council Tax and Housing Benefits is now undertaken by an external contractor.

The depreciation of IT equipment and software in Council Tax Collection, NNDR Collection and Benefits Administration has resulted in reduced capital financing costs.

## **86B2 INTERNAL AUDIT**

It is expected that there will no longer be any income from the sale of CIPFA matrices that have been developed by Internal Audit.

## **86B3 HUMAN RESOURCES SERVICES**

All of the service based training budgets throughout the Council have been transferred to HR and added to the corporate budget; this combined training budget has been further reduced and will be managed by the unit.

Capital charges have decreased due to the revaluation of IT software and equipment.

#### **86B4 LEGAL SERVICES**

There are some minor pay savings that have been offset by price increases in legal publications.

#### **86B5 CORPORATE CUSTOMER SERVICES**

Part of the budget for postage costs within cost centre T051 Mail have been transferred to Treasury Services as some of the printing, enveloping and posting work for Council Tax and Housing Benefits is now undertaken by an external contractor.

A range of cost saving measures, including staffing, have been made within Mail, Telephones, Civic Centre and the Customer Service Centre services.

Capital charges have decreased due to the depreciation of IT software and equipment.

#### **86B6 IT SERVICES**

There have been some savings in the cost of administering and maintaining IT systems that have been partly offset by an increase in the cost of printing within the Copy Centre.

There has been a reduction in the capital financing costs due to the depreciation of IT software and equipment.

#### **86B7 DIRECTOR CORPORATE SERVICE'S OFFICE**

The post of Director is redundant from 31 March 2012 but costs and recharges have been left as existing pending further changes. The deletion of this post will form part of the overall senior management restructure savings of £500,000 indicated in 3.1 above.

### **5. RECOMMENDATION**

That members are asked to approve the draft estimates.

#### **HEAD OF TREASURY SERVICES**

##### **CORPORATE SERVICES DIRECTORATE**

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

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

None



# APPENDIX 1

## SCRUTINY COMMITTEE - RESOURCES

### 5RESR RESOURCES SUMMARY

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	7,093,470	204,870	(9,000)	-	(280,000)	7,009,340
PREMISES	730,430	17,060	-	-	28,530	776,020
TRANSFER PAYMENTS	45,906,400	2,295,330	-	-	707,320	48,909,050
SUPPLIES & SERVICES	2,876,050	35,170	-	-	12,030	2,923,250
TRANSPORT	38,970	920	-	-	(2,600)	37,290
SUPPORT SERVICES	7,162,120	213,340	(15,400)	-	(56,830)	7,303,230
CAPITAL CHARGES	816,850	-	-	-	(130,870)	685,980
<b>Total Expense</b>	<b>64,624,290</b>	<b>2,766,690</b>	<b>(24,400)</b>	<b>-</b>	<b>277,580</b>	<b>67,644,160</b>

INCOME						-
<b>Total Income</b>	<b>(59,076,340)</b>	<b>(2,643,230)</b>	<b>-</b>	<b>-</b>	<b>170,190</b>	<b>(61,549,380)</b>

<b>Net Expenditure</b>	<b>5,547,950</b>	<b>123,460</b>	<b>(24,400)</b>	<b>-</b>	<b>447,770</b>	<b>6,094,780</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
86A1 REVENUE COLLECTION/BENEFITS	1,855,670	69,070	-	-	332,160	2,256,900
86A2 ELECTIONS & ELECTORAL REG	313,900	7,780	15,000	-	34,100	370,780
86A3 CORPORATE	897,020	24,670	-	-	(18,270)	903,420
86A4 CIVIC CEREMONIALS	243,210	7,730	-	-	(10,230)	240,710
86A5 DEMOCRATIC REPRESENTATION	881,420	25,210	-	-	(10,220)	896,410
86A6 GRANTS/CENTRAL SUPPORT/ CONSULTATION	1,001,900	6,950	-	-	7,820	1,016,670
86A7 UNAPPORTIONAL OVERHEADS	354,830	8,860	-	-	46,200	409,890
86A8 CHIEF EXECUTIVE SERVICES	-	(1,530)	-	-	1,530	-
86A9 STRATEGIC/ COMMUNITY PARTNERS	-	640	-	-	(640)	-
86B1 TREASURY SERVICES	-	17,770	-	-	(17,770)	-
86B2 INTERNAL AUDIT	-	(480)	-	-	480	-
86B3 HUMAN RESOURCES	-	(8,580)	(24,000)	-	32,580	-
86B4 LEGAL SERVICES	-	(1,820)	-	-	1,820	-
86B5 CORPORATE CUSTOMER SERVICES	-	(14,280)	-	-	14,280	-
86B6 IT SERVICES	-	(18,410)	(15,400)	-	33,810	-
86B7 DIRECTOR CORPORATE SERVICES OFFICE	-	(120)	-	-	120	-
<b>Net Cost</b>	<b>5,547,950</b>	<b>123,460</b>	<b>(24,400)</b>	<b>-</b>	<b>447,770</b>	<b>6,094,780</b>

## SCRUTINY COMMITTEE - RESOURCES

### 86A1 REVENUE COLLECTION / BENEFITS

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
SUPPLIES & SERVICES	83,990	-	-	-	(7,720)	76,270
SUPPORT SERVICES	1,957,220	58,720	-	-	50,300	2,066,240
TRANSFER PAYMENTS	45,906,400	2,295,330	-	-	707,320	48,909,050
<b>Total Expense</b>	<b>47,947,610</b>	<b>2,354,050</b>	<b>-</b>	<b>-</b>	<b>749,900</b>	<b>51,051,560</b>
INCOME	(46,091,940)	(2,284,980)	-	-	(417,740)	(48,794,660)
<b>Total Income</b>	<b>(46,091,940)</b>	<b>(2,284,980)</b>	<b>-</b>	<b>-</b>	<b>(417,740)</b>	<b>(48,794,660)</b>
<b>Net Expenditure</b>	<b>1,855,670</b>	<b>69,070</b>	<b>-</b>	<b>-</b>	<b>332,160</b>	<b>2,256,900</b>
<b>Represented By</b>						
S001 REVENUE COLLECTION	679,230	20,370	-	-	(490)	699,110
S002 RENT ALLOWANCES	110,520	13,210	-	-	410,390	534,120
S003 STATUTORY CONTRIBUTION	21,000	-	-	-	(1,930)	19,070
S004 COUNCIL TAX BENEFITS	656,430	21,190	-	-	(85,410)	592,210
S005 RENT REBATES	356,450	12,730	-	-	(86,310)	282,870
S006 HOUSING ACT ADVANCES	1,590	50	-	-	(40)	1,600
S007 NON HRA RENT REBATES	30,450	1,520	-	-	95,950	127,920
<b>Net Cost</b>	<b>1,855,670</b>	<b>69,070</b>	<b>-</b>	<b>-</b>	<b>332,160</b>	<b>2,256,900</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A2 ELECTIONS & ELECTORAL REG

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	168,270	4,990	15,000	-	19,780	208,040
PREMISES	9,540	280	-	-	10,000	19,820
SUPPLIES & SERVICES	71,480	710	-	-	8,500	80,690
TRANSPORT	130	-	-	-	-	130
SUPPORT SERVICES	64,780	1,880	-	-	(4,180)	62,480
CAPITAL CHARGES	1,600	-	-	-	-	1,600
<b>Total Expense</b>	<b>315,800</b>	<b>7,860</b>	<b>15,000</b>	<b>-</b>	<b>34,100</b>	<b>372,760</b>

INCOME	(1,900)	(80)	-	-	-	(1,980)
<b>Total Income</b>	<b>(1,900)</b>	<b>(80)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,980)</b>

<b>Net Expenditure</b>	<b>313,900</b>	<b>7,780</b>	<b>15,000</b>	<b>-</b>	<b>34,100</b>	<b>370,780</b>
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Represented By						
S010 ELECTORAL REGISTRATION	220,550	5,630	-	-	(4,260)	221,920
S011 DISTRICT COUNCIL ELECTIONS	93,350	2,150	15,000	-	38,360	148,860
<b>Net Cost</b>	<b>313,900</b>	<b>7,780</b>	<b>15,000</b>	<b>-</b>	<b>34,100</b>	<b>370,780</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A3 CORPORATE

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
SUPPLIES & SERVICES	209,310	3,970	-	-	-	213,280
SUPPORT SERVICES	1,032,980	30,970	-	-	(24,810)	1,039,140
<b>Total Expense</b>	<b>1,242,290</b>	<b>34,940</b>	<b>-</b>	<b>-</b>	<b>(24,810)</b>	<b>1,252,420</b>
INCOME	(345,270)	(10,270)	-	-	6,540	(349,000)
<b>Total Income</b>	<b>(345,270)</b>	<b>(10,270)</b>	<b>-</b>	<b>-</b>	<b>6,540</b>	<b>(349,000)</b>
<b>Net Expenditure</b>	<b>897,020</b>	<b>24,670</b>	<b>-</b>	<b>-</b>	<b>(18,270)</b>	<b>903,420</b>
<b>Represented By</b>						
S015 CORPORATE COSTS	850,220	23,510	-	-	(17,400)	856,330
S066 TREASURY MANAGEMENT	46,800	1,160	-	-	(870)	47,090
<b>Net Cost</b>	<b>897,020</b>	<b>24,670</b>	<b>-</b>	<b>-</b>	<b>(18,270)</b>	<b>903,420</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A4 CIVIC CEREMONIALS

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	150,390	4,480	-	-	(18,400)	136,470
PREMISES	45,800	1,110	-	-	1,660	48,570
SUPPLIES & SERVICES	50,740	490	-	-	1,000	52,230
TRANSPORT	5,440	290	-	-	650	6,380
SUPPORT SERVICES	46,090	1,360	-	-	1,960	49,410
CAPITAL CHARGES	32,270	-	-	-	(1,100)	31,170
<b>Total Expense</b>	<b>330,730</b>	<b>7,730</b>	<b>-</b>	<b>-</b>	<b>(14,230)</b>	<b>324,230</b>

INCOME	(87,520)	-	-	-	4,000	(83,520)
<b>Total Income</b>	<b>(87,520)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>(83,520)</b>

<b>Net Expenditure</b>	<b>243,210</b>	<b>7,730</b>	<b>-</b>	<b>-</b>	<b>(10,230)</b>	<b>240,710</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
S036 GUILDHALL CHAMBERS	85,330	3,750	-	-	(5,580)	83,500
S037 MAYORALTY	119,460	3,570	-	-	590	123,620
S039 CIVIC HOSPITALITY	10,620	40	-	-	(20)	10,640
S040 PUBLIC CELEBRATIONS	13,800	240	-	-	(650)	13,390
S041 TWINNING	14,000	130	-	-	(4,570)	9,560
<b>Net Cost</b>	<b>243,210</b>	<b>7,730</b>	<b>-</b>	<b>-</b>	<b>(10,230)</b>	<b>240,710</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A5 DEMOCRATIC REPRESENTATION

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	16,380	300	-	-	3,840	20,520
SUPPLIES & SERVICES	283,390	7,550	-	-	6,270	297,210
TRANSPORT	400	-	-	-	-	400
SUPPORT SERVICES	581,250	17,360	-	-	(20,330)	578,280
<b>Total Expense</b>	<b>881,420</b>	<b>25,210</b>	<b>-</b>	<b>-</b>	<b>(10,220)</b>	<b>896,410</b>

<b>Net Expenditure</b>	<b>881,420</b>	<b>25,210</b>	<b>-</b>	<b>-</b>	<b>(10,220)</b>	<b>896,410</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
S016 DEMOCRATIC COSTS	546,000	15,630	-	-	(17,060)	544,570
S046 MEMBERS EXPENSES	335,420	9,580	-	-	6,840	351,840
<b>Net Cost</b>	<b>881,420</b>	<b>25,210</b>	<b>-</b>	<b>-</b>	<b>(10,220)</b>	<b>896,410</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A6 GRANTS/CENT SUPP/CONSULTATION

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
SUPPLIES & SERVICES	770,110	-	-	-	24,050	794,160
SUPPORT SERVICES	231,790	6,950	-	-	(16,230)	222,510
<b>Total Expense</b>	<b>1,001,900</b>	<b>6,950</b>	<b>-</b>	<b>-</b>	<b>7,820</b>	<b>1,016,670</b>
<b>Net Expenditure</b>	<b>1,001,900</b>	<b>6,950</b>	<b>-</b>	<b>-</b>	<b>7,820</b>	<b>1,016,670</b>
<b>Represented By</b>						
S050 GRANTS AND CONTRIBUTIONS	770,010	770	-	-	34,300	805,080
S052 EMERGENCY PLANNING	31,430	940	-	-	(990)	31,380
S053 COMMUNITY SAFETY	53,650	1,610	-	-	(13,300)	41,960
S057 COMMUNITY INCLUSION & INVOLVE.	88,160	2,640	-	-	(900)	89,900
S060 COMMUNITY CONSULTATION	58,650	990	-	-	(11,290)	48,350
<b>Net Cost</b>	<b>1,001,900</b>	<b>6,950</b>	<b>-</b>	<b>-</b>	<b>7,820</b>	<b>1,016,670</b>



## RESOURCES SCRUTINY REVENUE 2012-13

### 86A7 UNAPPORTIONABLE OVERHEADS

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	283,070	8,490	-	-	(420)	291,140
PREMISES	59,500	-	-	-	27,960	87,460
SUPPORT SERVICES	12,260	370	-	-	18,660	31,290
<b>Total Expense</b>	<b>354,830</b>	<b>8,860</b>	<b>-</b>	<b>-</b>	<b>46,200</b>	<b>409,890</b>
<b>Net Expenditure</b>	<b>354,830</b>	<b>8,860</b>	<b>-</b>	<b>-</b>	<b>46,200</b>	<b>409,890</b>
<b>Represented By</b>						
S051 UNALLOCATED CENTRAL COSTS	71,760	370	-	-	46,620	118,750
S056 SUPERANNUATION	283,070	8,490	-	-	(420)	291,140
<b>Net Cost</b>	<b>354,830</b>	<b>8,860</b>	<b>-</b>	<b>-</b>	<b>46,200</b>	<b>409,890</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A8 CHIEF EXECUTIVE SERVICES

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	840,030	26,450	-	-	(37,670)	828,810
SUPPLIES & SERVICES	101,110	810	-	-	20,790	122,710
TRANSPORT	4,460	90	-	-	(200)	4,350
SUPPORT SERVICES	200,860	5,950	-	-	(17,650)	189,160
CAPITAL CHARGES	15,500	-	-	-	(8,890)	6,610
<b>Total Expense</b>	<b>1,161,960</b>	<b>33,300</b>	<b>-</b>	<b>-</b>	<b>(43,620)</b>	<b>1,151,640</b>

INCOME	(1,161,960)	(34,830)	-	-	45,150	(1,151,640)
<b>Total Income</b>	<b>(1,161,960)</b>	<b>(34,830)</b>	<b>-</b>	<b>-</b>	<b>45,150</b>	<b>(1,151,640)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>(1,530)</b>	<b>-</b>	<b>-</b>	<b>1,530</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T081 CHIEF EXECUTIVE	172,470	5,240	-	-	(11,670)	166,040
T082 CHIEF EXECUTIVE SUPPORT UNIT	348,830	11,400	-	-	(16,490)	343,740
T083 MEMBER SERVICES	312,770	8,980	-	-	(15,680)	306,070
T084 PRESS & PUBLIC RELATIONS	204,940	4,630	-	-	1,540	211,110
T085 EMERGENCY PLANNING	31,430	1,040	-	-	(1,090)	31,380
T086 COMMUNITY INCLUSION & INVOLV'T	88,160	1,940	-	-	(200)	89,900
T087 CHIEF EXECUTIVE INT. RECHARGES	(1,158,600)	(34,760)	-	-	45,120	(1,148,240)
<b>Net Cost</b>	<b>-</b>	<b>(1,530)</b>	<b>-</b>	<b>-</b>	<b>1,530</b>	<b>-</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86A9 STRATEGIC/COMMUNITY PARTNERS

	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	75,670	2,250	-	-	(46,110)	31,810
SUPPLIES & SERVICES	29,520	-	-	-	(28,970)	550
TRANSPORT	900	20	-	-	(920)	-
SUPPORT SERVICES	13,000	400	-	-	(3,800)	9,600
<b>Total Expense</b>	<b>119,090</b>	<b>2,670</b>	<b>-</b>	<b>-</b>	<b>(79,800)</b>	<b>41,960</b>

INCOME	(119,090)	(2,030)	-	-	79,160	(41,960)
<b>Total Income</b>	<b>(119,090)</b>	<b>(2,030)</b>	<b>-</b>	<b>-</b>	<b>79,160</b>	<b>(41,960)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>640</b>	<b>-</b>	<b>-</b>	<b>(640)</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
S070 COMMUNITY SAFETY PARTNERSHIP	18,460	1,610	-	-	(20,070)	-
S071 COMMUNITY SAFETY PROJECTS	-	-	-	-	-	-
S077 AREA BASED GRANT PROJECTS	-	(400)	-	-	400	-
S078 ASB CO-ORDINATOR	35,190	1,060	-	-	5,710	41,960
S079 LOCAL STRATEGIC PARTNERSHIP	520	-	-	-	(520)	-
S080 COMMUNITY/STRAT/PART/ RECHARGE	(54,170)	(1,630)	-	-	13,840	(41,960)
<b>Net Cost</b>	<b>-</b>	<b>640</b>	<b>-</b>	<b>-</b>	<b>(640)</b>	<b>-</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86B1 TREASURY SERVICES

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	2,317,760	68,650	-	-	(90,400)	2,296,010
SUPPLIES & SERVICES	403,370	7,780	-	-	34,300	445,450
TRANSPORT	21,820	420	-	-	(2,130)	20,110
SUPPORT SERVICES	1,665,820	49,370	-	-	27,300	1,742,490
CAPITAL CHARGES	136,680	-	-	-	(38,970)	97,710
<b>Total Expense</b>	<b>4,545,450</b>	<b>126,220</b>	<b>-</b>	<b>-</b>	<b>(69,900)</b>	<b>4,601,770</b>

INCOME	(4,545,450)	(108,450)	-	-	52,130	(4,601,770)
<b>Total Income</b>	<b>(4,545,450)</b>	<b>(108,450)</b>	<b>-</b>	<b>-</b>	<b>52,130</b>	<b>(4,601,770)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>17,770</b>	<b>-</b>	<b>-</b>	<b>(17,770)</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T001 ACCOUNTANCY SERVICES	778,720	20,810	-	-	(10,540)	788,990
T002 CASHIERING SERVICES	101,200	2,870	-	-	(15,330)	88,740
T003 COUNCIL TAX COLLECTION	698,120	17,330	-	-	6,430	721,880
T004 NDR COLLECTION	(18,890)	1,460	-	-	(5,340)	(22,770)
T007 REVENUES RECOVERY	268,730	6,510	-	-	(8,070)	267,170
T008 L.H.A. AND NVQ WORK	8,170	-	-	-	-	8,170
T009 BENEFITS ADMINISTRATION	892,950	50,440	-	-	39,590	982,980
T010 BENEFITS INVESTIGATION	283,970	8,510	-	-	(19,030)	273,450
T011 BENEFITS JOINT TRAINING POST	27,740	1,240	-	-	3,020	32,000
T013 POLICY TREASURY SERVICES	103,620	2,990	-	-	(2,550)	104,060
T015 ADMINISTRATIVE SUPPORT	68,380	1,990	-	-	(2,720)	67,650
U080 TREASURY INTERNAL RECHARGES	(3,212,710)	(96,380)	-	-	(3,230)	(3,312,320)
<b>Net Cost</b>	<b>-</b>	<b>17,770</b>	<b>-</b>	<b>-</b>	<b>(17,770)</b>	<b>-</b>

**RESOURCES SCRUTINY REVENUE 2012-13**

**86B2 INTERNAL AUDIT**

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	197,600	5,810	-	-	(4,060)	199,350
SUPPLIES & SERVICES	850	-	-	-	-	850
TRANSPORT	550	10	-	-	-	560
SUPPORT SERVICES	33,140	1,000	-	-	(940)	33,200
<b>Total Expense</b>	<b>232,140</b>	<b>6,820</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>233,960</b>

INCOME	(232,140)	(7,300)	-	-	5,480	(233,960)
<b>Total Income</b>	<b>(232,140)</b>	<b>(7,300)</b>	<b>-</b>	<b>-</b>	<b>5,480</b>	<b>(233,960)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>(480)</b>	<b>-</b>	<b>-</b>	<b>480</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON-RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T018 INTERNAL AUDIT	198,100	5,460	-	-	30,390	233,950
U081 INTERNAL AUDIT RECHARGES	(198,100)	(5,940)	-	-	(29,910)	(233,950)
<b>Net Cost</b>	<b>-</b>	<b>(480)</b>	<b>-</b>	<b>-</b>	<b>480</b>	<b>-</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86B3 HUMAN RESOURCES

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	683,020	12,480	(24,000)	-	(18,020)	653,480
SUPPLIES & SERVICES	56,190	1,910	-	-	(680)	57,420
TRANSPORT	790	20	-	-	-	810
SUPPORT SERVICES	179,260	5,240	-	-	(6,590)	177,910
CAPITAL CHARGES	21,790	-	-	-	(18,420)	3,370
<b>Total Expense</b>	<b>941,050</b>	<b>19,650</b>	<b>(24,000)</b>	<b>-</b>	<b>(43,710)</b>	<b>892,990</b>
GRAND INCOME	(941,050)	(28,230)	-	-	76,290	(892,990)
<b>Total Income</b>	<b>(941,050)</b>	<b>(28,230)</b>	<b>-</b>	<b>-</b>	<b>76,290</b>	<b>(892,990)</b>
<b>Net Expenditure</b>	<b>-</b>	<b>(8,580)</b>	<b>(24,000)</b>	<b>-</b>	<b>32,580</b>	<b>-</b>

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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T022 IT TRAINER	8,640	260	-	-	(580)	8,320
T024 TRAINING	355,550	3,790	(24,000)	-	(3,610)	331,730
T025 HUMAN RESOURCES	420,150	11,080	-	-	(30,990)	400,240
T026 PAYROLL	140,440	4,050	-	-	(10,190)	134,300
T027 POLICY HUMAN RESOURCES	16,200	470	-	-	1,660	18,330
U082 HUMAN RESOURCES RECHARGES	(940,980)	(28,230)	-	-	76,290	(892,920)
<b>Net Cost</b>	<b>-</b>	<b>(8,580)</b>	<b>(24,000)</b>	<b>-</b>	<b>32,580</b>	<b>-</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86B4 LEGAL SERVICES

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	545,770	15,990	-	-	(13,450)	548,310
SUPPLIES & SERVICES	32,220	340	-	-	5,780	38,340
TRANSPORT	1,100	20	-	-	-	1,120
SUPPORT SERVICES	110,540	3,060	-	-	(5,200)	108,400
CAPITAL CHARGES	800	-	-	-	(800)	-
<b>Total Expense</b>	<b>690,430</b>	<b>19,410</b>	<b>-</b>	<b>-</b>	<b>(13,670)</b>	<b>696,170</b>

INCOME	(690,430)	(21,230)	-	-	15,490	(696,170)
<b>Total Income</b>	<b>(690,430)</b>	<b>(21,230)</b>	<b>-</b>	<b>-</b>	<b>15,490</b>	<b>(696,170)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>(1,820)</b>	<b>-</b>	<b>-</b>	<b>1,820</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T038 LEGAL SERVICES	637,820	17,310	-	-	(13,630)	641,500
U083 LEGAL INTERNAL RECHARGES	(637,820)	(19,130)	-	-	15,450	(641,500)
<b>Net Cost</b>	<b>-</b>	<b>(1,820)</b>	<b>-</b>	<b>-</b>	<b>1,820</b>	<b>-</b>

## RESOURCES SCRUTINY REVENUE 2012-13

### 86B5 CORPORATE CUSTOMER SERVICES

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	873,990	27,140	-	-	(54,730)	846,400
PREMISES	608,740	15,470	-	-	(11,280)	612,930
SUPPLIES & SERVICES	348,620	3,160	-	-	(39,520)	312,260
TRANSPORT	790	10	-	-	-	800
SUPPORT SERVICES	555,810	16,560	-	-	(22,190)	550,180
CAPITAL CHARGES	166,370	-	-	-	(31,070)	135,300
<b>Total Expense</b>	<b>2,554,320</b>	<b>62,340</b>	<b>-</b>	<b>-</b>	<b>(158,790)</b>	<b>2,457,870</b>

INCOME	(2,554,320)	(76,620)	-	-	173,070	(2,457,870)
<b>Total Income</b>	<b>(2,554,320)</b>	<b>(76,620)</b>	<b>-</b>	<b>-</b>	<b>173,070</b>	<b>(2,457,870)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>(14,280)</b>	<b>-</b>	<b>-</b>	<b>14,280</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T048 GENERAL OFFICE	100,210	2,740	-	-	(2,270)	100,680
T051 MAIL	224,750	1,080	-	-	(34,990)	190,840
T052 TELEPHONES	196,310	4,600	-	-	(17,350)	183,560
T054 CIVIC CENTRE	965,820	21,630	-	-	(44,670)	942,780
T055 CUSTOMER SERVICE CENTRE	1,067,010	32,290	-	-	(74,410)	1,024,890
U084 CORP CUSTOMER INT RECHARGES	(2,554,100)	(76,620)	-	-	187,970	(2,442,750)
<b>Net Cost</b>	<b>-</b>	<b>(14,280)</b>	<b>-</b>	<b>-</b>	<b>14,280</b>	<b>-</b>



## RESOURCES SCRUTINY REVENUE 2012-13

### 86B6 IT SERVICES

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	830,710	24,570	-	-	(17,180)	838,100
PREMISES	6,850	200	-	-	190	7,240
SUPPLIES & SERVICES	432,810	8,450	(15,400)	-	(11,070)	414,790
TRANSPORT	2,190	30	-	-	-	2,220
SUPPORT SERVICES	442,580	13,100	-	-	(28,030)	427,650
CAPITAL CHARGES	441,840	-	-	-	(31,620)	410,220
<b>Total Expense</b>	<b>2,156,980</b>	<b>46,350</b>	<b>(15,400)</b>	<b>-</b>	<b>(87,710)</b>	<b>2,100,220</b>

INCOME	(2,156,980)	(64,760)	-	-	121,520	(2,100,220)
<b>Total Income</b>	<b>(2,156,980)</b>	<b>(64,760)</b>	<b>-</b>	<b>-</b>	<b>121,520</b>	<b>(2,100,220)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>(18,410)</b>	<b>(15,400)</b>	<b>-</b>	<b>33,810</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T047 INFORMATION & GIS MANAGEMENT	216,010	4,760	(10,000)	-	(13,140)	197,630
T049 DESKTOP & NETWORK SUPPORT	723,700	10,020	-	-	(30,760)	702,960
T050 HELPDESK & OPERATIONS	370,780	6,150	(5,400)	-	(35,500)	336,030
T053 COPY CENTRE	163,000	5,480	-	-	16,520	185,000
T059 BUSINESS DEV & SYSTEM SUPP.	443,270	13,000	-	-	(20,690)	435,580
T060 POLICY IT DEVELOPMENT	97,050	2,770	-	-	(2,530)	97,290
T061 WEB SITE ADMINISTRATION	84,330	2,380	-	-	330	87,040
T062 E GOVERNMENT SUPPORT COSTS	53,090	1,570	-	-	(1,700)	52,960
U085 IT SERVICES INTERNAL RECHARGES	(2,151,230)	(64,540)	-	-	121,280	(2,094,490)
<b>Net Cost</b>	<b>-</b>	<b>(18,410)</b>	<b>(15,400)</b>	<b>-</b>	<b>33,810</b>	<b>-</b>

**RESOURCES SCRUTINY REVENUE 2012-13**

**86B7 DIRECTOR CORPORATE SER. OFFICE**

SUBJECTIVE ANALYSIS	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
PAY	110,810	3,270	-	-	(3,180)	110,900
SUPPLIES & SERVICES	2,340	-	-	-	(700)	1,640
TRANSPORT	400	10	-	-	-	410
SUPPORT SERVICES	34,740	1,050	-	-	(5,100)	30,690
<b>Total Expense</b>	<b>148,290</b>	<b>4,330</b>	<b>-</b>	<b>-</b>	<b>(8,980)</b>	<b>143,640</b>

INCOME	(148,290)	(4,450)	-	-	9,100	(143,640)
<b>Total Income</b>	<b>(148,290)</b>	<b>(4,450)</b>	<b>-</b>	<b>-</b>	<b>9,100</b>	<b>(143,640)</b>

<b>Net Expenditure</b>	<b>-</b>	<b>(120)</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>
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Represented By	BASE ESTIMATE 2011/2012	INFLATION	RECURRING	NON- RECURRING	OTHER ADJUSTMENTS	NEW ESTIMATE 2012/2013
T301 DIRECTOR CORPORATE SER. OFFICE	148,270	4,330	-	-	(8,970)	143,630
T302 DIRECTOR CORPORATE INT.RECHARG	(148,270)	(4,450)	-	-	9,090	(143,630)
<b>Net Cost</b>	<b>-</b>	<b>(120)</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>



# APPENDIX 2

## GENERAL FUND - CAPITAL PROGRAMME 2012/13 AND FUTURE YEARS

## SCRUTINY COMMITTEE - RESOURCES

SCHEMES LISTED WITHIN KEY STRATEGIC THEMES		Original 2012/13 £	New Bids 2012/13 £	Total 2012/13 £	2013/14 £	2014/15 £	Future Years £	What the scheme is trying to achieve
<b>ELECTRONIC CITY</b>								
1	Server and Storage Strategy	36,000	36,000	36,000				To increase the number of servers and storage capacity to meet the current and predicted demand, specifically the migration of the remaining physical servers now reaching the end of their useful life
2	IT Development Staff Recharges	37,500	37,500	37,500				To provide for the cost of IT Developers, which will be directly involved in the implementation of computer software, development of new systems and quality as capital expenditure
3	PC & Mobile Devices Replacement Programme	85,000	85,000	85,000				To provide a rolling programme of replacement and upgrades to the Council's PCs
4	Corporate Network Infrastructure	25,000	25,000	25,000				A continuation of the enhancement and upgrade programme to the corporate network infrastructure, in order to manage the growth in demand of high bandwidth applications specifically to remote sites and workers
5	Security Compliance for GCSx & PCI DSS	33,000	33,000	33,000				Implementation of security controls to prevent the disclosure of restricted & sensitive information & provide information assurance. This will ensure compliance with requirements for connection to the Government Secure Internet. Such connections will increase as more Govt agencies are available online & connect to that network.
<b>Sub Total - Electronic City</b>		<b>0</b>	<b>216,500</b>	<b>216,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ACHIEVING EXCELLENCE IN PUBLIC SERVICES</b>								
1	Vehicle Replacement Programme		400,000	400,000				To ensure that the Council's vehicles are replaced so that a safe and reliable fleet is maintained
2	Capitalised Staff Costs	261,000	261,000	261,000	261,000	261,000	261,000	To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers, architects and surveyors
<b>Sub Total - Achieving Excellence in the Public Services</b>		<b>261,000</b>	<b>400,000</b>	<b>661,000</b>	<b>261,000</b>	<b>261,000</b>	<b>261,000</b>	
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME - RESOURCES</b>		<b>261,000</b>	<b>616,500</b>	<b>877,500</b>	<b>261,000</b>	<b>261,000</b>	<b>261,000</b>	



# APPENDIX 3

## SCRUTINY COMMITTEE - RESOURCES

	Existing Charge			Recommended Charge from 01/04/2012		
	Fee £ p	VAT £ p	Total £ p	Fee £ p	VAT £ p	Total £ p
<b>A <u>SUPPLY OF PHOTOCOPIES</u></b>						
Monochrome A4	0.17	0.03	0.20	0.17	0.03	0.20
A3	0.35	0.05	0.40	0.33	0.07	0.40
Colour A4	1.30	0.20	1.50	1.25	0.25	1.50
A3	2.61	0.39	3.00	2.50	0.50	3.00
<b>B <u>HIRE OF COMMITTEE ROOMS AT CIVIC CENTRE</u></b>						
For official and quasi-official purposes (as determined by Committee)	No Charge			No Charge		
Other Organisations						
Committee Room A - Bad Homburg (1/2 day up to 7.30pm)	46.00	-	46.00	48.00	-	48.00
Committee Room B - Rennes (1/2 day up to 7.30pm)	58.00	-	58.00	60.00	-	60.00
A & B - Bad Homburg & Rennes ( as one room ) (1/2 day up to 7.30pm) (special charge after 8pm to be negotiated)	115.00	-	115.00	120.00	-	120.00
Morning Coffee (Per cup)	0.65	0.10	0.75	0.62	0.13	0.75
Afternoon Tea (Per cup)	0.48	0.07	0.55	0.46	0.09	0.55
<b>C <u>DATA PROTECTION ACT ENQUIRIES</u></b>						
(Maximum subject to Data Protection Act)	10.00	-	10.00	10.00	-	10.00
<b>D <u>COUNCIL MINUTES</u></b>						
<b>Inclusion on mailing list (per annum) for:</b>						
<b>1 Council Agenda/Committee Minutes</b>	42.00	-	44.00	46.00	-	46.00
<b>2 Planning Committee Agenda</b>	98.00	-	103.00	108.00	-	108.00
<b>3 Executive</b>	70.00	-	73.00	77.00	-	77.00
<b>4 Other Committee/Sub-committee Agenda</b>	42.00	-	44.00	46.00	-	46.00
<b>E <u>GENERAL CONVEYANCING, SALE OF COUNCIL HOUSING, ETC.</u></b>						

All recharges have been based on the actual amount of work involved, the market rate and at the discretion of the Head of Legal Services



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

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