



**Exeter City Council**

To the Chair and Members  
of the Scrutiny Committee - Resources

**Please ask for:** Sharon Sissons

**Direct Dial:** 01392 265115

**Email:** Sharon.sissons@exeter.gov.uk

**Our ref:**

**Your ref:**

**AGENDA FOR**  
**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - RESOURCES**

The Scrutiny Committee - Resources will meet on **WEDNESDAY 19 JUNE 2013**, commencing at **5.30 pm**, in the Rennes Room, Civic Centre, Paris Street, Exeter to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer (Committees) on **Exeter 265115**.

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

Pages

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

1 **APOLOGIES**

To receive apologies for absence from Committee members.

2 **MINUTES**

To sign the minutes of the meeting held on 20 March 2013.

3 **DECLARATIONS OF INTEREST**

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

Office of Corporate Manager Democratic & Civic Support

Civic Centre, Paris Street, Exeter, EX1 1JN

Tel: 01392 277888

Fax: 01392 265593

[www.exeter.gov.uk](http://www.exeter.gov.uk)

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

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

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

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 Corporate Manager Democratic & Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (265115) 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.

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

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

**PERFORMANCE MANAGEMENT**

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

8 **AIM PROPERTY MAINTENANCE OUTTURN REPORT 2012/13**

To consider the report of the Acting Assistant Director Finance, Assistant Director Economy and Assistant Director Housing and Contracts – *report circulated* 5 - 6

9 **RESOURCES SCRUTINY REVENUE FINAL ACCOUNTS 2012/13**

To consider the report of the Acting Assistant Director Finance - *report circulated* 7 - 14

**MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

10     **CAPITAL MONITORING 2013/14 AND REVISED CAPITAL PROGRAMME FOR  
2014/15 AND FUTURE YEARS**

To consider the report of the Acting Assistant Director Finance - *report circulated*     15 - 36

11                     **OVERVIEW OF REVENUE BUDGET 2013/14**

To consider the report of the Acting Assistant Director Finance – *report circulated*     37 - 52

12                     **TREASURY MANAGEMENT 2012/13**

To consider the report of the Acting Assistant Director Finance – *report circulated*     53 - 56

13                     **CONSULTATION & NEGOTIATING FRAMEWORK**

To consider the report of the Human Resources Business Manager - *report circulated to Members*     57 - 64

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

14                     **NEW HOMES BONUS UPDATE**

To consider the report of the Acting Assistant Director Finance – *report circulated*     65 - 68

15                     **WORKFORCE PROFILE 2012/13**

To consider the report of the Human Resources Business Manager - *report circulated*     69 - 74

16                     **SUSTAINABLE PROCUREMENT AND COMMISSIONING ACTION PLAN  
UPDATE**

To consider the report of the Assistant Director Housing and Contracts - *report circulated*     75 - 78

17                     **MEMBERS ALLOWANCES PAID 2012/13**

To consider the report of the Corporate Manager Democratic and Civic Support – *report circulated*     79 - 82

**DATE OF NEXT MEETING**

The next **Scrutiny Committee - Resources** will be held on Wednesday 18

September 2013 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), Ruffle (Deputy Chair), Bowkett, Brock, Bull, Crew, Dawson, Donovan, Macdonald, Newby, Owen, Pearson and Robson

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

**Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265111.**



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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 19 JUNE 2013

#### AIM PROPERTY MAINTENANCE OUTTURN REPORT 2012/13

#### 1 PURPOSE OF THE REPORT

- 1.1 To advise Members of the outturn position on the non-housing Property Maintenance revenue budget for 2012/13 as monitored by the Asset Improvement and Maintenance (AIM) Group.

#### 2 BACKGROUND

- 2.1 This report details the financial position of the £1.68m programme of reactive repairs and planned maintenance and refurbishment to non-housing property as carried out in 2012/13 financial year.
- 2.2 The table below details both the budgets approved for the various categories of work and the level of spending against such budgets including specific work related roll forward. However, the spending below is that available to report before the closing of accounts and so is likely to still be subject to some change.

	BUDGET £	PROJECTED ACTUAL EXP 2012-13	ROLL FORWARD INTO 2013-14	OUTTURN £
SERVICE RECHARGES	322,590	273128	0	(49462)
LEASE REQUIREMENTS	100,130	62000	30000	(8130)
AIM PRIORITY PROGRAMME	129,930	39000	5000	(85930)
AIM REACTIVE AND OPERATIONAL ESSENTIALS	606210	428925	2000	(175285)
SERVICE CONTRACTS	516,300	475,898	40402	0
TOTAL NON-HOUSING REVENUE	1,675,160	1278951	77402	(318807)

- 2.3 The projected spending indicates that a saving in the order of £319,000 will be made against the budget in 2012/13. This saving arises in the main from reduced Contracts and Engineering service recharges, the sale of Rougemont House, savings against contingency provision, and stricter budgetary control and prioritisation and less reactive repair need arising in this financial year. As a result, the 2013/14 budget was set at £1,419,920, a reduction of 15% on 2012/13. Explanation of the expenditure in each category is set out below.

#### Service Recharges – budget £322,590

- 2.4 This budget is set each year to cover the cost of departmental recharges, or staff “fees”, for work carried out by Contracts or Engineering in respect of preparation of contracts and supervision of work on site. This year fee charges have been less than the budget provision originally made. This reduction will be reflected in a reduced provision for 2013/14 of some £215,000.

#### Lease Requirements – budget £100,130

- 2.5 This budget is set each year to meet contractual requirements where council-owned property is leased, in the main, to businesses. The budget also includes a relatively small provision to cover the cost of regulatory safety checks when property is

vacated and prior to re-letting. Despite the need to roll forward some £30,000 in respect of planned work to property in Stepcote Hill and for urgent refurbishment work to 88 Alphington Road, there is still saving of some £8,000 this year mainly due to a reduced need for reactive property checks in 2012/13. The budget provision for 2013/14 has been set at a significantly lower value of £52,950.

### **AIM Priority Programme – budget £129,930**

- 2.6 This budget is for mainly one-off project work as raised by facility managers and prioritised by AIM. The budget further includes a contingency to cover for those unexpected but urgent necessary works that can arise throughout the year. Despite the need to roll forward some £5000 in respect of work still required to St Catherine's Almshouses in 2013/14, in 2012/13 savings accrued because works at Rougemont House were not required because of the decision taken to market the property for sale, saving some £38,000. Further, the contingency for unplanned urgent work did not arise, saving some £37,000. To reflect the trend here the budget provision for 2013/14 was reduced to £104,000.

### **Reactive Repairs and Operational Essentials– combined budget £606,210**

- 2.7 This budget is set each year for repairs and maintenance work across the variety of non-housing council property assets, which is often urgent and unplanned but necessary to either maintain services to the public or to prevent further deterioration of the property asset. The budget is split down into 15 types of property asset, for example, car parks, environmental health property, museums, canal and commercial property. This year, whilst there was a need to roll forward some £2000 for remaining expenditure needed in respect of repair works to Topsham Cottage water supply there was also some relatively small overspend on some asset types, that being principally Museums, Policy property, Canal and Car parks. However, such overspend was more than compensated by savings elsewhere. As a reflection of the spend pattern in 2012/13 the budget provision for 2013/14 was reduced to £555,500.

### **Service Contracts – budget £516,300**

- 2.8 This budget is set for identified required work in terms of necessary annual servicing and maintenance regimes to comply with health and safety regulations or industry recommended good practice. The budget is split into 44 separate budgets for a diverse variety of work such as roller shutter door maintenance, gutter cleaning, electrical checks, testing of fire alarms, emergency lighting, city wall maintenance and legionella prevention. This year, the need arose to roll forward some £40,000 to finance urgent electrical regulatory repairs at Livestock Centre in 2013/14, so the budget was in effect expended in full. Nevertheless, a lower budget has been set in 2013/14 of £493,100.

## **3 RECOMMENDED**

- i. that the outturn financial position of the £1.68m programme of reactive and planned property maintenance for 2012/13 as detailed above be noted.

ASSISTANT DIRECTOR HOUSING AND CONTRACTS  
ASSISTANT DIRECTOR ECONOMY  
ACTING ASSISTANT DIRECTOR FINANCE

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

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

None

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 19 JUNE 2013

#### RESOURCES SCRUTINY REVENUE FINAL ACCOUNTS 2012-13

#### 1. PURPOSE OF REPORT

- 1.1 This report advises members of any major differences by management unit to the revised budget.

#### 2. REVENUE ACCOUNTS (Appendix A)

- 2.1 During the course of the financial year ending 31 March 2013, regular reports were made to this committee on the estimated revenue outturn.
- 2.2 During the year redundancy costs of £445,731 have been charged to the General Fund, of which £176,404 relates to Resources Committee. An earmarked reserve of £400,000 has been set aside to cover most of these costs.
- 2.3 The total underspend variance of £480,216 comprises cost variances of £204,289 reducing the overall net expenditure for this committee to £5,882,712. There were transfers from revenue reserves totalling £275,928 to fund the following; part of Business Transformation expenditure of £42,239 and New Homes Bonus funding for support to the Exeter Citizen's Advice Bureau £21,285 and to fund City grants £36,000, plus £176,404 to fund redundancies, thus reducing overall net expenditure for this committee to £5,606,784.
- 2.4 The main variations by management unit are detailed below:

		£
	<b>2012/2013 REVISED BUDGET less NOTIONAL CHARGES</b>	<b>17,251,450</b>
<b>86A1</b>	<b>REVENUE COLLECTION / BENEFITS</b>	<b>(316,432)</b>
	There has been an overall increase in caseload payments for Benefits of £458,908 that has been offset by an increase in subsidy of £323,687, thereby resulting in a net payments increase of £135,221. This has been offset by an increase in income from Housing Benefit overpayments recovery of £349,282, leaving an overall saving of £214,061.	
	The underspend has increased by a further £102,371 to £316,432 overall due to savings in Treasury Services administration costs which are referred to in 86B1 below.	
	The overall variance represents 0.62% on the original budget of £51.2m.	

<b>86A2</b>	<b>ELECTIONS &amp; ELECTORAL REGISTRATION</b> There was a small underspend on the cost of operating City Council elections that has been partially offset by an increase in costs for maintaining the electoral register on a rolling basis.	<b>(255)</b>
<b>86A3</b>	<b>CORPORATE</b> A revised scale of Audit fees was agreed that resulted in a saving this year.  Some of the Council's core bank charges have now been charged direct to services rather than corporate. The posts of Assistant Chief Executive and Communications Manager were removed and officer's time reallocated to the cost centres where work has been undertaken since April 2012.	<b>(149,781)</b>
<b>86A4</b>	<b>CIVIC CEREMONIALS</b> The retail unit attached to Guildhall was vacant until August 2012 with a subsequent loss of rental income and the payment of void rates; the unit has now been successfully let.  There was an increase in the premises repair and maintenance costs as well as fuel, light and cleaning costs of the Guildhall.	<b>92,172</b>
<b>86A5</b>	<b>DEMOCRATIC REPRESENTATION</b> There was an underspend on Members' Expenses at the end of the financial year due to no inflationary increase in allowances and one member not claiming any allowances at all.  There were restructuring savings in support service recharges for administering Democratic Costs. Expenditure was incurred on Business Transformation to reshape the services that the Council provides, with part of the agreed funding being met from reserves.	<b>33,842</b>
<b>86A6</b>	<b>GRANTS/CENTRAL SUPPORT/CONSULTATION</b> Additional grant was paid to Exeter Citizen's Advice Bureau for money advice and the grants paid out for the Ward Grants by Members were all funded from the New Homes Bonus money. Additional rate relief has been granted to businesses and charitable organisations but has been offset by reduced expenditure and support service recharges on community consultations and corporate chartermarks.  The cost of the Community Safety Partnership recharge from management unit 86A9 has reduced as the result of the funding of redundancy costs from existing balances.	<b>53,823</b>



<b>86A7</b>	<p><b>UNAPPORTIONABLE OVERHEADS</b></p> <p>The approved cost of pension fund contributions only following redundancies has been shown in this management unit, with individual services throughout the Council being recharged the actual cost of redundancies to reflect where the subsequent savings will be made.</p> <p>As the result of fewer employees paying in to the pension fund following the reduction in staffing, there has been an increase in payments to the pension fund to compensate for the shortfall.</p> <p>The contingencies budgets for unallocated Central Support Services and A.I.M. have been recharged to services with just the year-end balances shown in this management unit; in overall terms recharges have been over-recovered due to the savings made within support services.</p> <p><b>CENTRAL SUPPORT SERVICES ACCOUNTS:</b>  <b>The management units listed below are recharged out across the whole of the Council and are either brought back to zero cost or have balances left that are transferred to management unit 86A7 above. Before this took place, the variances that occurred, including capital charges, are noted below:</b></p>	<b>(102,158)</b>
<b>86A8</b>	<p><b>CHIEF EXECUTIVE SERVICES</b></p> <p>The reduced pay award has resulted in a saving on pay budgets.</p> <p>The posts of Assistant Chief Executive and Communications Manager have been removed and officer's time reallocated to the cost centres where work has been undertaken since April 2012.</p> <p>An approved redundancy has been included in outturn.</p>	<b>(133,316)</b>
<b>86A9</b>	<p><b>STRATEGIC/COMMUNITY PARTNERSHIPS</b></p> <p>Costs incurred on Community Partnerships with other public bodies were nearly all funded by grants.</p> <p>A revenue saving has occurred on the administration costs as the result of the reallocation of staff time since April 2012 and the funding of redundancy costs from existing resources.</p>	<b>(16,840)</b>
<b>86B1</b>	<p><b>TREASURY SERVICES</b></p> <p>An agreed reduction in working hours for some staff, reduced posts and vacancies within the service has resulted in pay savings.</p> <p>Approved redundancy costs have been included in outturn.</p> <p>There have been upgrades in software for Council Tax and NNDR Collection as well as Benefits Administration and this has been partly financed by Government grants.</p> <p>The cost of printing and posting service communications have increased.</p>	<b>(228,374)</b>

As a result of the pay savings referred to above, the recharges within Treasury Services have also reduced further.

<b>86B2</b>	<b>INTERNAL AUDIT</b> The post of Head of Internal Audit was deleted from the establishment from April 2012, resulting in pay savings.	<b>(65,671)</b>
<b>86B3</b>	<b>HUMAN RESOURCES</b> An additional temporary staffing resource within Human Resources was approved by Executive, but this has been more than offset by reduced expenditure in the now centralised training budget. Training expenditure has reduced because of the restructure of services, the appointment of Senior Managers and the subsequent determination of their development needs.  There has been reduced expenditure on the use of occupational health consultancy services due to changes in the Council's sickness policy.  The Human Resources section has been reviewed with the resulting redundancy costs; full savings will be shown in next year's budgets.  There was a reduction in IT maintenance and support and reduced recharges overall in central support service recharges.	<b>(71,008)</b>
<b>86B4</b>	<b>LEGAL SERVICES</b> There was a small overspend in pay to cover for long-term staff sick leave and also an increase in the cost of legal publications, but this was more than offset by an increase in external fee income.	<b>(26,889)</b>
<b>86B5</b>	<b>CORPORATE CUSTOMER SERVICES</b> The majority of staff from the administration teams of Economy and Community and Environment directorates were transferred to the new Corporate Support Unit with effect from 1 April 2012, to combine with what was the General Office administration team. The budgets for these now disbanded teams are in their old cost centres in the other two committees but all costs have now been recorded here in Resources. The duties of the team have now been defined and this has resulted in some redundancies, but there will be savings that will materialise next year.  At the end of the financial year, the users of this new multi-task service were recharged with the actual cost of the service. The reorganisation within the Council has meant that offices have been moved which has created surplus accommodation suitable for renting out to external clients and therefore earn income and share costs. Part of this accommodation has already been let to Devon County Council.  In April 2012 there was an increase in the cost of postage that was not known about when the budget was set. The tariffs charged for the mobile phone contracts throughout the council is under review with an increase allowed for in the	<b>132,787</b>

final accounts.

The reduced pay award has resulted in savings in the Customer Service Centre with further savings made on salary costs due to vacancies and reduced cover for maternity leave. It is requested that £6,000 that was not spent on replacing staff uniforms be made available in 2013-14 as a supplementary budget.

<b>86B6</b>	<b>IT SERVICES</b>	<b>(295,878)</b>
	The reduced pay award has resulted in a saving in this unit with further savings made on salary costs due to the deletion of the Head of IT Services post and a member of staff reducing hours from April 2012.	
	There has been some savings in the cost of administering and maintaining IT systems.	
	More of the work undertaken by IT staff was capitalised resulting in less of a cost to the revenue services throughout the Council.	
<b>86B7</b>	<b>STRATEGIC DIRECTORS</b>	<b>(27,990)</b>
	The post of Director Corporate Services was deleted from the establishment from April 2012, resulting in pay savings.	
	Total expenditure before internal recharges	<b>16,129,481</b>
	Less internal recharges	<b>(10,246,769)</b>
	Adjusted Outturn	<b>5,882,712</b>
	Revenue Contribution to Capital Expenditure	<b>0</b>
	Movement from Earmarked Reserves	<b>(275,928)</b>
	<b>TOTAL NET EXPENDITURE</b>	<b>5,606,784</b>

### 3. RECOMMENDATION

3.1 That the Scrutiny Committee – Resources note this report.

ACTING ASSISTANT DIRECTOR FINANCE

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

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

None

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**SCRUTINY COMMITTEE - RESOURCES  
OUTTURN**

APRIL 2012 TO MARCH 2013

ORIGINAL ANNUAL BUDGET	SUPPLEMENTARY BUDGETS	VARIANCE ON CAPITAL CHARGES	REVISED BUDGET	CODE	OUTTURN	OUTTURN VARIANCE	QUARTER 3 FORECAST VARIANCE
£	£	£	£		£	£	£
2,256,900		0	2,256,900	86A1	1,940,468	(316,432)	51,850
370,780		4	370,784	86A2	370,529	(255)	(2,970)
903,420		0	903,420	86A3	753,639	(149,781)	(39,750)
240,710		312	241,022	86A4	333,194	92,172	68,700
896,410		0	896,410	86A5	930,252	33,842	(15,260)
1,016,670		0	1,016,670	86A6	1,070,493	53,823	0
409,890		0	409,890	86A7	307,732	(102,158)	192,840
1,148,240		(1)	1,148,239	86A8	1,014,922	(133,316)	(133,190)
41,960		0	41,960	86A9	25,120	(16,840)	5,060
3,312,320		1,162	3,313,482	86B1	3,085,109	(228,374)	(24,100)
233,950		0	233,950	86B2	168,279	(65,671)	(65,000)
892,920		(5)	892,915	86B3	821,908	(71,008)	(18,320)
641,500		0	641,500	86B4	614,611	(26,889)	(18,050)
2,442,750	12,000	(3)	2,454,747	86B5	2,587,534	132,787	186,500
2,094,490		(21,249)	2,073,241	86B6	1,777,363	(295,878)	(113,650)
356,320		0	356,320	86B7	328,328	(27,992)	(111,560)
<b>17,259,230</b>	<b>12,000</b>	<b>(19,780)</b>	<b>17,251,450</b>		<b>16,129,481</b>	<b>(1,121,969)</b>	<b>(36,900)</b>
(11,164,450)			(11,164,450)		(10,246,769)	917,681	
<b>£ 6,094,780</b>	<b>£ 12,000</b>	<b>(19,780)</b>	<b>£ 6,087,000</b>		<b>5,882,712</b>	<b>(204,289)</b>	<b>(36,900)</b>
				<b>TRANSFERS TO / (FROM) EARMARKED RESERVES</b>			
				86A5	(42,239)		
				86A6	(57,285)		
				86A8	(43,338)		
				86B1	(37,788)		(33,962)
				86B3	(64,776)		(64,776)
				86B5	(30,502)		(30,502)
				<b>REVENUE CONTRIBUTIONS TO CAPITAL OUTLAY (RCCO)</b>			
					0		
					0		
				<b>OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES</b>			
					<b>5,606,784</b>		<b>(129,240)</b>
					<b>6,087,000</b>		<b>0</b>
					<b>(480,216)</b>		<b>(166,140)</b>
				<b>REVISED BUDGETS</b>			
				<b>ADJUSTED OUTTURN VARIANCE</b>			

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 19 JUNE 2013

EXECUTIVE  
1 JULY 2013

COUNCIL  
16 JULY 2013

### CAPITAL MONITORING 2012/13 AND REVISED CAPITAL PROGRAMME FOR 2013/14 AND FUTURE YEARS

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise members of the overall financial performance of the Council for the 2012/13 financial year, in respect of the annual capital programme.
- 1.2 To seek approval of the 2013/14 revised capital programme, including commitments carried forward from 2012/13.

#### 2. REVISIONS TO THE CAPITAL PROGRAMME

- 2.1 The progress of the annual capital programme was last reported to Scrutiny Committee – Resources on 20 March 2013. Since that meeting the following changes have been made that have reduced the programme:

Description	£	Approval/Funding (%) *
<b>Capital Programme, as at 20 March 2013</b>	<b>20,101,360</b>	
<b>GENERAL FUND</b>		
Amendments to programme approved at the Executive 9 April 2013	(2,656,940)	Deferred to Future Years
Disabled Facilities Grants	8,760	Capital Contribution from Housing Associations
Council Buildings – Solar Panels	230,000	Approved Funding from New Homes Bonus
Capital Grants to Community Centre Projects	309,750	Approved Funding from New Homes Bonus
National Cycle Network	98,270	Devon CC Contributions
Mincinglake / Northbrook Study	43,670	Devon CC Contributions
Wonford Sports Centre Refurbishment	12,000	Contribution from Parkwood Leisure
<b>Revised Capital Programme</b>	<b>18,146,870</b>	

\* There is no additional borrowing required to fund the additional works above.

### 3. PERFORMANCE (Appendix 1)

- 3.1 Capital expenditure in the year amounted to £15,859,107, a reduction of £2,287,763 on the planned figure of £18,146,870.
- 3.2 The actual expenditure during 2012/13 represents 87.4% of the total approved for the revised Capital Programme, which means £2.4 million will need to be carried forward to be spent in future years, as indicated in Appendix 1.
- 3.3 In comparison with the previous financial year, spending performance has increased slightly. During 2011/12 capital expenditure was £13,123,271, equivalent to 80.5% of the planned figure of £16,305,080.

#### 3.4 Capitalisation of Staff Costs

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

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

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

- Refurbishment of the John Lewis Car Park
- Continuation of the replacement of J Based legacy systems. These are the old 'green screen' systems such as FIMS and the payments system which were replaced in 2008
- Delivery of the kitchen and bathroom replacement programmes and re-roofing of Council dwellings

- 3.7 The total value of staff time charged to capital schemes for 2012/13 amounted to £585,030.

### 4.0 CAPITAL FINANCING

- 4.1 The capital expenditure in 2012/13 of £15,859,107 was financed as follows:

	£
Housing Revenue Account (Revenue)	4,253,550
HRA Major Repairs Reserve	4,092,152
Capital Grants & Contributions	1,176,198
Capital Receipts	997,882
Revenue (New Homes bonus etc)	282,194
Borrowing	5,057,131
	<b>15,859,107</b>



## 5.0 VARIANCES AND ACHIEVEMENTS

5.1 The main variances and achievements are as follows:

### 5.1.1 Community & Environment

#### *Cultural City*

- **Play Area Refurbishments (Budget £103,800, Spend £93,493)**  
During the year the play areas at Great Hill View, Quarry Park and Woodwater Lane have undergone general improvement together with the installation of new items of play equipment. Additional schemes funded from Section 106 contributions include floodlighting at Pinhoe Station Road multi use games area, play area infrastructure, including fencing and gates at Beacon Avenue (Chaucer Grove), and significant projects at Looe Road and Ivy Johns Playing Fields (formerly Wonford Playing Fields).

The projects at Ivy Johns Playing Fields and Looe Road will be completed during 2013/14 and a number of further refurbishments and improvements of play areas are planned, together with the creation of other new play spaces.

- **Sports Facilities Refurbishments (Budget £81,780, Spend £56,498)**  
The budget was used to refurbish Wonford Sports Centre, towards which we received contributions from Parkwood Leisure (£12,000) and Devon CC (£15,000), and replacement air conditioning units for the dance studio at Clifton Hill Sports Centre.
- **RAMM Redevelopment (Budget £2,209,770, Spend £1,805,595)**  
An additional budget of £2.2M was approved by Council in October 2012 to cover any outstanding liabilities in respect of the redevelopment. Whilst the final payment to the main contractor was agreed and paid during the year, there remain a number of other possible payments and it is proposed to carry over the remaining budget of £404,170.
- **Grants to Community Associations (Various budgets totalling £309,750, Spend £58,080)**  
Capital budgets were approved for a number of grants to improve facilities to community centres and sports club premises, to be funded from New Homes Bonus. Grant payments of £58,080 were required in the year and £251,670 will need to be carried forward to complete these projects. A further £228,990 was approved for additional projects in 2013/14.

#### *Cared for Environment*

- **Local Authority Carbon Management Programme (Budget £120,530, Spend £54,510)**  
Projects undertaken during the year include the completion of energy efficiency measures at King William Street Car Park (as part of the upgrade of the lighting), and the input of water saving measures to toilets at various Council premises.

### ***Excellence in Public Services***

- **Vehicle Replacement Programme (Budget £400,000, Spend £384,305)**  
The 2012/13 programme has been mostly spent and has produced a saving of £6,345 for the financial year.

### ***Healthy & Active People***

- **Disabled Facilities Grants (Budget £395,330, Spend £436,335)**  
This original budget of £290,000 was enhanced during the year from an additional Government subsidy allocation of £83,745 and contributions from Housing Associations. Demand for these grants has continued to be high and expenditure in the year exceeded the budget by £41,005, which will be covered from a saving in the renovation grants budget of £49,820.

### ***Everyone Has a Home***

- **Sovereign Infill – Shakespeare Road & Leypark Road (Budgets and Spend £510,000)**

Grants to Sovereign Housing Association of £375,000 and £135,000 respectively were made which support the following developments:

- Shakespeare Road: The development of 24 over 55's, 1 and 2 bedroom apartments and 1 fully wheelchair accessible 2 bedroom house
- Leypark Road: 9 over 55's, 1 and 2 apartments

The Council's grants have ensured that 100% of the developments will be let as affordable housing at Social Rent levels and that the new homes are all built to very high sustainable standards.

- **Private Sector Renewal Scheme (Budget £150,640, Spend £278,743)**  
At the time of the capital monitoring exercise to 30th September, this budget was reduced by £199,180 to reflect the forecast at that time. The final outturn was £278,743, which is an overspend of £128,103 compared with the revised budget.

However, officers were not aware of the extent of works required for properties joining the scheme during the rest of the financial year. A disproportionate number of properties were taken on during the latter half of 2012/13 which required a greater level of work in order for the properties to meet the required standard for the Council's rental schemes than in previous years. The impact of this has been twofold:

- a greater amount has been paid out in non-recoverable grant
- a greater amount is recoverable but these loans are tied into reduced rental payments to the landlord over the period of the lease, generally between 2-5 years and will take a period of time to be fully recovered

- **The Haven (Budget £250,000, Spend £0)**

The purchase of The Haven was delayed as the vendor had to undertake repairs to the property (to address water ingress). The purchase was completed recently and the budget will need to be carried forward.

- **Steps Acquisitions (Budget £50,000, Spend £0)**  
As reported to the Committee's meeting in March, this budget is no longer required and is therefore declared as a saving.

#### ***Maintain Assets of Our City***

- **Council Buildings – Solar Panels (Budget £247,470, Spend £148,162)**  
A programme to install solar panels to a number of Council buildings was approved by the New Homes Bonus Committee. Installations to date include the Civic Centre and the Materials Recycling Facility. The remaining budget will need to be carried forward to 2013/14 to complete the programme.

### 5.1.2 Economy & Development

#### ***Accessible City***

- **National Cycle Network (Budget £128,300, Spend £128,297)**  
The programme to improve the City's cycleway infrastructure continues and projects were completed during 2012/13 at Station Road Pinhoe, King George V, Heavitree Park, the Hazel Road link to Ludwell Valley, and Princesshay cycle stands. The cost of the programme is funded wholly by Devon County Council.
- **John Lewis Car Park Refurbishment - Stage 2 (Budget £922,880, Spend £944,159 )**  
A full refurbishment was undertaken of this car park, which supported the redevelopment by John Lewis of the old Debenhams building. Improvements included re-decking, repainting, installation of CCTV and pay on foot systems, as well as a new pedestrian exit.
- **Well Oak Footpath / Cycleway (Budget £40,000, Spend £25,860)**  
Provision of a new foot/cycle path linking Well Oak Park with Shakespeare Road. Works to ECC land commenced in 2012/13 and were completed in May 2013, due to be opened when the adjacent construction site (Sovereign Housing) is complete, which is anticipated in July.

#### ***Cultural City***

- **St Katherine's Priory Re-Roofing (Budget £75,090, Spend £77,871)**  
The re-roofing of the Priory has been completed with a small resulting overspend.

#### ***Cared For Environment***

- **City Centre Enhancements (Budget £690,980, Spend £672,210)**  
Public realm enhancements at London Inn Square were completed in the autumn in time for the opening of the new John Lewis Store. The scheme included widening pavements, removing private traffic from Sidwell Street, repaving the north side of Sidwell Street (to St Sidwell's) with granite paving and new tree planting, seats, bins and cycle racks. These works exceeded the scheme budget by £400,000; primarily as a result of shallow services, difficulties caused by working within a constrained area with requirements for continual pedestrian and vehicular access, and delays by other contractors. The overspend was shared 50:50 between ECC and Devon County Council (DCC), and an increase in the Council's budget to cover its share of the cost was approved in 2012. DCC are currently carrying out final minor works and

ECC will shortly be installing fixing points for the market stall holders on the south side of Sidwell Street.

- **Cowick Street Environmental Works (Budget £61,360, Spend £53,877)**  
Works in 2012/13 included cleaning and lighting the Railway Bridge and restoration of the Pigeon Mosaic by original artist Elaine Goodwin, and tree planting outside the Methodist Church and St Thomas Medical Centre. Orders have been placed for the remainder of the works which include tree planting, a co-ordinated range of street furniture (designed with local artist Naomi Hart), repaving beneath existing trees outside the Sawyer's Arms and raised tables at St Thomas Station and the St Thomas Shopping centre vehicle exit (funded by DCC, subject to Traffic Regulation Orders).
- **Central Station Environmental Works**  
The original budget for this scheme of £185,000 was deferred to 2013/14 from the December 2012 monitoring. Network Rail had to give six months' notice to their previous tenant before the lease of the forecourt could be granted to Devon County Council. Terms of the new lease are well advanced and work on site is expected to start in the Autumn.

### ***Prosperous City***

- **Science Park (Budget £60,000, Spend £53,625)**  
The Science Park Centre will provide over 30,000sq ft of space for businesses and programmes of support to help new businesses to start and grow and create new jobs. It was anticipated that the balance of funding from the Council towards the new building costs would not be required until 2013/14 and therefore, £675,990 of the original 2012/13 budget of £735,990 has already been deferred to 2013/14.

There was a small underspend against the 2012/13 revised budget of £60,000, and the Council's final contribution of £559,568 was paid in April 2013, which will produce a saving of £116,422 against the 2013/14 budget.

## **5.1.3 Resources**

### ***Electronic City***

- **Server and Storage Strategy (Budget £39,930, Spend £44,118) and Corporate Network Infrastructure (Budget £25,000, Spend £26,532)**  
There were small overspends in the cost of upgrading the equipment in line with the previous forecast.

### **PC and Mobile Devices Replacement Programme (Budget £178,010, Spend £59,005)**

An underspend of £119,005 was due to the impact of the DELT process delaying the signing of a new Enterprise Agreement for desktop licensing and progressing the rollout of the Virtual Desktop Infrastructure. The unspent budget will need to be carried forward to give the Council the flexibility to renew its Microsoft Desktop licences at the optimum time to maximize software updates over the 3 year licence term. It also provides flexibility pending the outcome of the DELT proposal.

## 5.1.4 Housing Revenue Account

### *Everyone Has a Home*

Below are explanations for the main variations from the approved programme:

- **MRA Fees (Budget £342,850, Spend £360,969)**  
This budget provides for the cost of the Contracts Unit support to help deliver the HRA Capital Programme, including quantity surveying, procurement and tendering services. As mentioned earlier in this report, the Contracts Unit deployed more staff towards key HRA capital schemes including the kitchen and bathroom replacement programmes and this has resulted in a higher than budgeted recharge.
- **Programmed Re-roofing (Budget £300,000, Spend £320,654)**  
In order to save reactive repair costs the roofs of four properties have been replaced in order to resolve problems with multiple leaks. This has resulted in an overspend of £20,654, but will result in future savings in the cost of programmed works.
- **Kitchen Replacement Programme (Budget £2,663,260, Spend £2,765,429)**  
Kitchens were replaced in 598 properties during 2012/13 compared to a target of 589. This was predominantly due to a higher than anticipated number of empty properties requiring new kitchens prior to re-letting. The average cost per kitchen has also increased due to additional plastering and electrical repairs. Both these factors have resulted in additional expenditure of £102,000 during the financial year which will be deducted from next year's budget. The impact on the number of kitchens that can be replaced within existing approved budgets will be assessed and reported back to this committee during 2013/14.
- **Bathroom Replacement Programme (Budget £887,350, Spend £1,049,357)**  
Bathrooms were replaced in 390 properties during 2012/13 compared to a target of 360. This was predominantly due to a higher than anticipated number of empty properties requiring new bathrooms prior to re-letting. The average cost per bathroom has also increased due to additional plastering works and a change to the specification of bathroom hardware. Both these factors have resulted in additional expenditure of £162,000 during 2012/13 which will be deducted from next year's budget. The impact on the number of bathrooms that can be replaced within existing approved budgets will be assessed in conjunction with the kitchens and reported back to this committee.
- **Electrical Re-wiring (Budget £510,000, Spend £565,994)**  
As a consequence of the kitchen and bathroom replacement programme a higher than budgeted number of properties requiring electrical re-wires have been identified by the contractors. An additional 100 properties had electrical re-wiring compared to the planned 300 properties, which has resulted in a £56,000 overspend. As these works are necessary in accordance with Health and Safety regulations, it is considered prudent to report an overspend rather than deduct from the 2013/14 budget, so that works are not curtailed next financial year.
- **Boiler Replacement Programme (Budget £260,000, Spend £371,960)**  
An extra 40 boilers were replaced during 2012/13 in addition to the 196 planned replacements. This was largely due to a higher number of boiler breakdowns during the prolonged cold weather, which were replaced rather than repaired as it was deemed more cost effective, even though a £112,000 overspend has occurred.

Compensating savings are achieved in annual service and maintenance costs, especially in the early years as the new boilers come with a 5 year warranty. The Council will continue to undertake annual servicing of the boilers, but most remedial repairs will be covered by the warranty.

**5.1.5 Council Own Build Capital Programme (Budget £155,350, Spend £142,164)**

Following the completion of the Council Own Build (COB) sites at Rowan House and Knights Place, the Council is now commencing COB – Wave 2 and COB – Wave 3. Their associated capital budgets form part of the overall HRA Capital Programme.

**Variance from Budget**

Expenditure incurred during 2012/13 relates to architects fees and ground investigation work in order to take identified housing development sites to the planning stage.

**6.0 CAPITAL AND PROJECT PROGRAMME 2013/14 (Appendix 2)**

6.1 The revised Capital Programme for 2013/14, after taking into account the carried forward requirements from 2012/13 as well as additional approvals and other changes, now totals £21,511,060.

6.2 In addition to adding the carry forwards from 2012/13, the 2013/14 approved budget has also been increased for the following changes:

Description	£	Approval/Funding (%) *
<b>Approved Budget</b>	<b>12,283,860</b>	
Carry Forwards from 2012/13	2,358,930	
Amendments to programme approved at the Executive 4 Dec 2012	869,180	Deferred from 2012/13
Amendments to programme approved at the Executive 9 April 2013	2,656,940	Deferred from 2012/13
PARIS Income Management System Upgrade	25,000	Additional funding approved by Executive on 9 April 2013
Capital Grants to Community Centre Projects	228,990	Approved Funding from New Homes Bonus
Energy Conservation	19,020	External funding
Disabled Facilities Grants	4,720	Increased Government funding
Paris St Roundabout Landscaping / Sculptural Swift Tower	43,540	S106 funding
Heavitree Environmental Improvements	22,770	S106 funding
HRA - Council Own Build	2,998,110	Additional funding from HRA Reserves - approved by Executive 5 Feb 2013
<b>Revised Programme 2013/14</b>	<b>21,511,060</b>	

## **7.0 FURTHER FUNDING REQUESTS**

### **7.1 Temporary Accommodation**

The Council faces continuing pressures to meet its statutory obligations under the Homelessness Act 2002 and an opportunity has arisen to bid for the purchase of a property next door to Glencoe in Alphington Street, which the Council already owns and runs as temporary accommodation.

A budget of £300,000 is estimated to be required for the cost to purchase and carry out the cost of turning the property into temporary accommodation, and the current budget for temporary accommodation of £170,000 is insufficient for this purpose. In order to enable a bid to go forward, a delegated decision was therefore made by the Assistant Director Housing and Contracts in consultation with the Leader whereby the total budget of £300,000 would be made up from the existing budget allocations to Temporary Accommodation (£170,000), 22 St Davids Hill (£50,000) and Stepcote Hill (£60,000), the latter budgets are no longer required for their original purpose, with a further £20,000 to be funded from the eventual sale of 22 St Davids Hill.

A further £50,000 capital budget has been identified for 22 St Davids Hill, meaning that the £300,000 required in total can be made available from existing budgets. The eventual sale of 22 St Davids Hill can still be used towards financing the costs.

Should the bid not be successful then the existing budgets would be ring fenced for the purchase of alternative temporary accommodation.

### **7.2 Housing Revenue Account**

Approval is sought for an additional budget of £120,000 in the 2013/14 HRA capital programme to meet the costs of essential structural repairs to four council dwellings. Inspections undertaken by Structural Engineers have identified that the properties require underpinning following damage from subsidence. Works will also include necessary drainage repairs and external and internal refurbishments. The cost of the works will be met from monies set aside in the Major Repairs Reserve.

## **8.0 RECOMMENDED**

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

- (i) The overall financial position for the 2012/13 annual capital programme.
- (ii) The amendments to the Council's annual capital programme for 2013/14.
- (iii) The further funding requests set out in Section 7 above.

ACTING ASSISTANT DIRECTOR FINANCE

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

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

1. None

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2012-13  
CAPITAL MONITORING TO 31 MARCH 2013

	2012-13 Capital Programme	2012-13 Spend	2012-13 Budget to be Carried Forward to Future Years	2012-13 Programme Variances (Under)/Over
	£	£	£	£
<b>COMMUNITY &amp; ENVIRONMENT</b>				
<b>CULTURAL CITY</b>				
Play Area Refurbishments	103,800	93,493	10,800	493
Replace Arena Athletics Track	110	111		1
Sports Facilities Refurbishment	81,780	56,498	25,280	(2)
Parks Improvements	81,080	56,683	25,170	773
Contribution to RAMM Re HLF Parks Bid	65,970	55,764	10,210	4
RAMM Redevelopment	2,209,770	1,805,595	404,170	(5)
RAMM Off Site Store	40,740	33,692	7,050	2
Neighbourhood Parks & Local Open Spaces	35,330	24,490	10,840	0
Allotments - Toilet Replacement	23,440	23,611		171
Replacement of Flowerpot Skate Park	20,410	15,877	4,530	(3)
Refurbishment and Upgrade of Paddling Pools	202,000	64,830	137,170	0
Newtown Community Centre	70,000	8,416	61,580	(4)
Topsham Rugby Club Improvements	50,000	0	50,000	0
Exeter Community Centre Garden	50,000	49,664	340	4
Countess Wear Community Centre	70,000	0	70,000	0
Newcourt Community Association Centre	69,750		69,750	0
<b>CARED FOR ENVIRONMENT</b>				
Vehicle Replacement Programme	400,000	384,305	9,350	(6,345)
Public Toilet Refurbishment	990	0	990	0
Local Authority Carbon Management Programme	120,530	54,510	66,020	0
Improvements to Cemetery Roads & Pathways	15,160	7,644	4,000	(3,516)
<b>EXCELLENCE IN PUBLIC SERVICES</b>				
New Technology for Cleansing	14,190	17,463		3,273
Belle Isle Depot - Secure Equipment Storage	11,820	11,931		111
No 6 Greenhouse Belle Isle	17,500	16,449		(1,051)
<b>HEALTHY &amp; ACTIVE PEOPLE</b>				
Disabled Facility Grants	395,330	436,335		41,005

## 2012-13

## CAPITAL MONITORING TO 31 MARCH 2013

	2012-13 Capital Programme	2012-13 Spend	2012-13 Budget to be Carried Forward to Future Years	2012-13 Programme Variances (Under)/Over
	£	£	£	£
<b>EVERYONE HAS A HOME</b>				
Warm Up Exeter/PLEA Scheme	100,000	31,474	68,530	4
Renovation Grants	50,000	180		(49,820)
Wessex Loan Scheme	784,380	136,537	647,840	(3)
Glencoe Capital Works	5,670	708	4,960	(2)
Private Sector Renewal Scheme	150,640	278,743		128,103
St Loyes Design Fees	0	4,115	-4,110	5
WHIL Empty Properties	200,000	6,000	194,000	0
Steps Acquisitions	50,000			(50,000)
11-13 Stepcote Hill	60,000		30,000	(30,000)
22 St Davids Hill Conversion	0			0
Temporary Accommodation Purchase	0			0
Infill Sites	0			0
Sovereign Infill - Shakespeare Road	375,000			0
Sovereign Infill - Leypark Road	135,000	375,000		0
The Haven	250,000	135,000	250,000	0
<b>MAINTAIN ASSETS OF OUR CITY</b>				
Council Buildings - Solar Panels	247,470	148,162	99310	2
<b>COMMUNITY &amp; ENVIRONMENT TOTAL</b>	<b>6,557,860</b>	<b>4,333,280</b>	<b>2,257,780</b>	<b>33,200</b>

## 2012-13

## CAPITAL MONITORING TO 31 MARCH 2013

2012-13 Capital Programme	2012-13 Spend	2012-13 Budget to be Carried Forward to Future Years	2012-13 Programme Variances (Under)/Over
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	£	£	£	£
<b>ECONOMY &amp; DEVELOPMENT</b>				
<b>ACCESSIBLE CITY</b>				
National Cycle Network	128,300	128,297	(3)	
Signage / Pedestrian Interpretation	31,600	30,683	(917)	
Well Oak Footpath/Cycleway	40,000	25,860	14,140	0
John Lewis Car Park Refurb Stage 1	207,540	205,208	2,330	(2)
John Lewis Car Park Refurb Stage 2	922,880	944,159		21,279
<b>CULTURAL CITY</b>				
18 North Street Panelling	870	870	0	
Corn Exchange Enhancements	5,110	3,318	(1,792)	
St Katherine's Priory Re-Roofing	75,090	77,871		2,781
<b>CARED FOR ENVIRONMENT</b>				
City Centre Enhancements	690,980	672,210	18,770	0
Mincinglake/Northbrook Study	55,490	55,486	(4)	
Ibstock Environmental Improvements	3,240	3,240	0	
Cowick Street Environmental Works	61,360	53,877	7,480	(3)
Exhibition Way Bridge Maintenance	1,000	1,000	0	0
Central Station Environmental Works	0	0	0	0
Princesshay Artwork	40,000	40,000	0	0
<b>EXCELLENCE IN PUBLIC SERVICES</b>				
Verney House	4,500	4,810		310
<b>LEARNING CITY</b>				
Improvements to Quay House Visitor Centre	1,470	1,084	(386)	
<b>PROSPEROUS CITY</b>				
Canal Basin and Quayside	23,810	18,427	5,380	(3)
Science Park	60,000	53,625	6,375	
137 Cowick Street	39,560	36,396	3,160	(4)
<b>SAFE CITY</b>				
Security Measures for Riverside Valley Park	1,900	0	1,900	0
<b>ECONOMY &amp; DEVELOPMENT TOTAL</b>				
	<b>2,394,700</b>	<b>2,352,181</b>	<b>57,400</b>	<b>14,881</b>

## 2012-13

## CAPITAL MONITORING TO 31 MARCH 2013

2012-13 Capital Programme	2012-13 Spend	2012-13 Budget to be Carried Forward to Future Years	2012-13 Programme Variances (Under)/Over
---------------------------	---------------	--	--

	£	£	£	£
<b>RESOURCES</b>				
<b>ELECTRONIC CITY</b>				
Electronic Document Management	1,880	0	(1,880)	
Server and Storage Strategy	39,930	44,118	4,188	
J Based Legacy Systems	37,500	40,319	2,819	
Security Compliance for GCSx & PCI DSS	11,890	11,974	84	
Authentication Module	31,000	20,869	(10,130)	
IT Development Time	0		0	
PC & Mobile Devices Replacement Programme	178,010	59,005	(119,000)	
Corporate Network Infrastructure	25,000	26,532	1,532	
<b>EXCELLENCE IN PUBLIC SERVICES</b>				
Upgrade of E-FIMS to v4.1	30,860	25,562	(5,300)	
Capitalised Staff Costs	132,820	0	(132,820)	
<b>CORPORATE SERVICES TOTAL</b>	<b>488,890</b>	<b>228,379</b>	<b>134,430</b>	<b>(126,081)</b>

## 2012-13

## CAPITAL MONITORING TO 31 MARCH 2013

2012-13 Capital Programme	2012-13 Spend	2012-13 Budget to be Carried Forward to Future Years	2012-13 Programme Variances (Under)/Over
------------------------------	---------------	--	--

	£	£	£	£
<b>HRA CAPITAL</b>				
<b>EVERYONE HAS A HOME</b>				
Adaptations	450,000	400,315	30,000	(19,685)
Rendering of Council Dwellings	260,150	214,484	45,670	4
MRA Fees	342,850	360,969		18,119
Communal Door Entry System	14,740	10,106		(4,634)
Environmental Improvements - General	55,060	33,678		(21,382)
Programmed Re-roofing	300,000	320,654		20,654
Energy Conservation	14,000	21,297	(7,300)	(3)
Asbestos Survey	180,000	166,035	13,960	(5)
Plastic Windows & Doors	20,000	20,023		23
LAINGS Refurbishments	12,470	17,196	(4,730)	(4)
Kitchen Replacements	2,663,260	2,765,429	(102,170)	(1)
Asbestos Removal Works	325,000	336,630		11,630
Bathroom Replacements - Programmed	887,350	1,049,357	(162,010)	(3)
Other Works	96,870	96,679		(191)
Repainting	43,850	20,899		(22,951)
Fire Precautionary Works to Flats	281,050	228,718	52,330	(2)
Communal Areas	98,110	136,580	(38,470)	0
Structural Repairs	31,490	44,107	(12,620)	(3)
Fire Alarms at Sheltered Accommodation	40,000	12,184	27,820	4
Replacement Concrete Canopies	243,150	194,459	48,690	(1)
472 Topsham Road Adaptations	55,000	54,634		(366)
Acquisition of 16 Chanter Court	75,000	75,000		0
Acquisition of Social Housing	584,730	584,930	(200)	0
Programmed Electrical Re-wiring	510,000	565,994		55,994
Central Heating Programme	705,940	700,786	5,160	6
Boiler Replacement Programme	260,000	371,960		111,960
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>8,550,070</b>	<b>8,803,103</b>	<b>(103,870)</b>	<b>149,163</b>
<b>COUNCIL OWN BUILD CAPITAL</b>				
Merlin Crescent	250	254		4
Phase 3 Professional Fees	135,300	124,957	10,340	(3)
Phase 2 St Andrews Road	19,800	9,574	10,230	4
Newport Road	0	6,229	-6,230	(1)
Whipton Methodist Church	0	400	-400	0
Bennett Square	0	750	-750	0
<b>COUNCIL OWN BUILD TOTAL</b>	<b>155,350</b>	<b>142,164</b>	<b>13,190</b>	<b>4</b>
<b>CAPITAL AND PROJECT EXPENDITURE TOTAL</b>	<b>18,146,870</b>	<b>15,859,107</b>	<b>2,358,930</b>	<b>71,167</b>

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**2013-14  
REVISED CAPITAL PROGRAMME**

	£	£	£	£	£
	2012-13 Budget to be Carried Forward to 2013-14	Additional 14 Approvals / Funding and Virements	2013-14 Approved Capital Programme	2013-14 Revised Capital Programme	2013-14 Revised Capital Programme
<b>COMMUNITY &amp; ENVIRONMENT</b>					
<b>PROVIDE GREAT THINGS FOR ME TO SEE DO AND VISIT</b>					
Play Area Refurbishments	10,800	212,000	80,000	302,800	302,800
Replace Running Track at Exeter Arena			750,000	750,000	750,000
Sports Facilities Refurbishment	25,280	108,330	50,000	183,610	183,610
Parks Improvements	25,170			25,170	25,170
Contribution to RAMM Re HLF Parks Bid	10,210			10,210	10,210
RAMM Development	404,170			404,170	404,170
RAMM Off Site Store	7,050			7,050	7,050
Neighbourhood Parks & Local Open Spaces	10,840			10,840	10,840
Replacement of Flowerpot Skate Park	4,530			4,530	4,530
Refurbishment and Upgrade of Paddling Pools	137,170	240,000		137,170	137,170
Newton Community Centre	61,580			61,580	61,580
Topsham Rugby Club Improvements	50,000			50,000	50,000
Countess Wear Community Centre	70,000			70,000	70,000
Newcourt Community Association Centre	69,750			69,750	69,750
Exe Water Sports Association (Grant towards build)		50,000		50,000	50,000
Exwick Ark (Grant towards conversion)		50,000		50,000	50,000
Devonshire Place (landscaping)		25,000		25,000	25,000
Bury Meadow (landscaping)		7,000		7,000	7,000
Alphington VH (Repairs & Extension)		50,000		50,000	50,000
St Thomas Social Club (new roof)		25,000		25,000	25,000
Ride On (set up workshop / bike hire)		5,000		5,000	5,000
Exeter Community Centre Garden	340	16,990		17,330	17,330
<b>IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD</b>					
Public Toilet Refurbishment	990			990	990
Local Authority Carbon Management Programme	66,020			66,020	66,020
Improvements to Cemetery Roads & Pathways	4,000			4,000	4,000
<b>OTHER</b>					
Vehicle Replacement Programme	9350		450,000	459,350	459,350

**2013-14  
REVISED CAPITAL PROGRAMME**

	2012-13 Budget to be Carried Forward to 2013- 14	2013-14 Additional 14 Approvals / Funding and Virements	2013-14 Approved Capital Programme	2013-14 Revised Capital Programme
	£	£	£	£
<b>HELP ME FIND SOMEWHERE SUITABLE TO LIVE</b>				
Disabled Facility Grants			290,000	294,720
Warm Up Exeter/PLEA Scheme	68,530	4,720	100,000	168,530
Renovation Grants			50,000	50,000
Wessex Loan Scheme	647,840			647,840
Glencoe Capital Works	4,960			4,960
St Loyes Design Fees	-4,110	69,110		65,000
Private Sector Renewal Scheme			143,830	143,830
WHIL Empty Properties	194,000			194,000
HCA Empty Properties		100,000		100,000
The Haven	250,000			250,000
11-13 Stepcote Hill	30,000			30,000
22 St Davids Hill Conversion		100,000		100,000
Temporary Accommodation Purchase		170,000		170,000
Infill Sites		350,000		350,000
<b>MAINTAIN ASSETS OF OUR CITY</b>				
Council Buildings - Solar Panels	99,310			99,310
<b>COMMUNITY &amp; ENVIRONMENT TOTAL</b>				
	<b>2,257,780</b>	<b>1,583,150</b>	<b>1,913,830</b>	<b>5,754,760</b>



**2013-14  
REVISED CAPITAL PROGRAMME**

	2012-13 Budget to be Carried Forward to 2013- 14	Additional 14 Approvals / Funding and Virements	2013-2013-14 Approved Capital Programme	2013-14 Revised Capital Programme
	£	£	£	£
<b>ECONOMY &amp; DEVELOPMENT</b>				
<b>PROVIDE GREAT THINGS FOR ME TO SEE DO AND VISIT</b>				
Canal Basin and Quayside	5,380	420,770		426,150
<b>ACCESSIBLE CITY</b>				
National Cycle Network				0
Signage / Pedestrian Interpretation				0
John Lewis Car Park Refurbishment	2,330			2,330
<b>IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD</b>				
Cowick Street Environmental Works	7,480	140,000		147,480
City Centre Enhancements	18,770	6,880		25,650
Well Oak Footpath/Cycleway	14,140	40,150		54,290
Exhibition Way Bridge Maintenance	1,000	44,000		45,000
Northbrook Flood Alleviation Scheme			200,000	200,000
Purchase of Land - Drakes Meadow			280,000	280,000
Paris Street Roundabout Landscaping & Sculptural Swift Tower		43,540		43,540
Heavitree Environmental Improvements		22,770		22,770
Ibstock Environmental Improvements	3,240			3,240
Planting Improvements in Riverside Valley Park		14,320		14,320
Central Station Environmental Works		185,000		185,000
<b>MAINTAIN THE ASSETS OF OUR CITY</b>				
Topsham Lock Leak			35,000	35,000
Verney House Window Replacement			60,000	60,000
<b>OTHER</b>				
Replacement of Car Park Pay & Display Machines			230,000	230,000
<b>PROSPEROUS CITY</b>				
Science Park		675,990		675,990
137 Cowick Street	3,160			3,160
<b>SAFE CITY</b>				
Security Measures for Riverside Valley Park	1,900			1,900
<b>ECONOMY &amp; DEVELOPMENT TOTAL</b>	<b>57,400</b>	<b>1,593,420</b>	<b>805,000</b>	<b>2,455,820</b>

2013-14  
REVISED CAPITAL PROGRAMME

	2012-13 Budget to be Carried Forward to 2013-14	Additional 14 Approvals / Funding and Virements	2013-2013-14 Approved Capital Programme	2013-14 Revised Capital Programme
	£	£	£	£
<b>RESOURCES</b>				
<b>OTHER</b>				
Server and Storage Strategy			32,000	32,000
Security Compliance for GCSx & PCI DSS		21,110		21,110
Authentication Module	10130	0		10,130
PC & Mobile Devices Replacement Programme	119,000		60,000	179,000
Corporate Network Infrastructure			22,000	22,000
PARIS Income Management System Upgrade		25,000		25,000
Invest to Save Opportunities			100,000	100,000
Capitalised Staff Costs	5300		261,000	266,300
Upgrade of E-FIMS to v4.1				
<b>RESOURCES TOTAL</b>	<b>134,430</b>	<b>46,110</b>	<b>475,000</b>	<b>655,540</b>

**2013-14  
REVISED CAPITAL PROGRAMME**

	2012-13 Budget to be Carried Forward to 2013- 14	Additional 14 Approvals / Funding and Virements	2013-2013-14 Capital Programme	2013-14 Revised Capital Programme
	£	£	£	£
<b>HRA CAPITAL</b>				
<b>EVERYONE HAS A HOME</b>				
Adaptations	30,000		600,000	630,000
Rendering of Council Dwellings	45,670		260,000	305,670
MRA Fees			389,030	389,030
Communal Door Entry System			10,000	10,000
Environmental Improvements - General			41,000	41,000
Programmed Re-roofing	(7,300)	58,260	300,000	300,000
Energy Conservation	13,960		110,000	160,960
Asbestos Survey				13,960
Kitchen Replacements	(102,170)		2,400,000	2,297,830
Bathroom Replacements - Programmed	(162,010)		1,030,000	867,990
LAINGS Refurbishments	(4,730)		370,000	365,270
Other Works		36,670	50,000	86,670
Repointing			50,000	50,000
Fire Prevention Works	52,330	50,000	200,000	302,330
Smoke Detector Replacements		200,000	200,000	400,000
Communal Areas	(38,470)	50,000	150,000	161,530
Structural Repairs	(12,620)	20,000	20,000	27,380
Fire Alarms at Sheltered Accommodation	27,820	20,000	80,000	127,820
Flood Prevention Works			10,000	10,000
Replacement Concrete Canopies	48,690		25,000	73,690
Social Housing Acquisitions	(200)	212,550	500,000	712,350
Programmed Electrical Re-wiring			460,000	460,000
Boiler Replacement Programme			260,000	260,000
Central Heating Programme	5,160		240,000	245,160
Property Entrance Improvements			20,000	20,000
Rennes House Scooter Store			15,000	15,000
Rennes House Structural Works			1,000,000	1,000,000
Rennes House		400		615,820
Newport Road		21,670		754,830
Whipton Methodist Church		25,420		857,670
Bennett Square		22,320		769,790
Council Own Build - Land Purchase	13,190		300,000	313,190
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>(90,680)</b>	<b>717,290</b>	<b>9,090,030</b>	<b>12,644,940</b>
<b>CAPITAL AND PROJECT BUDGET TOTAL</b>	<b>2,358,930</b>	<b>3,939,970</b>	<b>12,283,860</b>	<b>21,511,060</b>

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES

19 JUNE 2013

EXECUTIVE

1 JULY 2013

COUNCIL

16 JULY 2013

### OVERVIEW OF REVENUE BUDGET 2012/13

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall financial position of the HRA & General Fund Revenue Budgets for the 2012/13 financial year.

#### 2. HOUSING REVENUE ACCOUNT (Appendix A)

- 2.1 The final accounts show an overall increase in the HRA working balance from £5,764,423 to £6,290,297, an increase of £525,874 as compared with the planned increase of £2,320,270.
- 2.2 The reduction against budget is predominantly due to additional revenue contributions towards capital expenditure of £2.084 million in respect of both the acquisition of 6 flats at the former Royal Navy Store site and an increase to the kitchen and bathroom replacement programmes, This increase was approved by the Executive during the financial year.
- 2.3 The Major Repairs Reserve is 'ring fenced' for capital works. After transfers into the reserve (monies set aside from revenue) and transfers out of the reserve (financing capital expenditure) in respect of the 2012-13 accounts, the balance on the Major Repairs Reserve will stand at £2,269,806 at 31 March 2013.
- 2.4 The Council's new properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing. The total budget variances for 2012-13 have resulted in a net surplus of £45,292, which will be transferred to the COB working balance. This represents an increase of £27,722 compared to the budgeted transfer to the working balance of £17,570. After adding the surplus for 2012-13, the COB working balance will stand at £73,498 at 31 March 2013.

#### 3. GENERAL FUND (Appendix B)

- 3.1 Regular reports have been made each quarter on the estimated revenue outturn for each Scrutiny Committee. The final outturn has now been calculated and major differences from the approved annual budget are highlighted below.
- 3.2 During the year, redundancy costs of £445,736 have been charged to the General Fund. An earmarked reserve of £400,000 was set aside last year and has been able to cover most of these costs.
- 3.3 Whilst the senior management restructure was originally included in the budget as one line, the savings made have been included within each of the service committees and not against that line in the budget

3.4 The Service Committees show an overall underspend of £353,970 against a revised budget of £13,718,210 (see section 3.8 for further details).

### **Borrowing and Investments**

3.5 In addition to Service Committee net expenditure, interest receivable and payable is credited to the General Fund. The net interest paid was £114,395 less than the budget and this is discussed in the Treasury Management report elsewhere on the agenda. Interest rates remain historically low and this has had a positive impact on borrowing rates.

3.6 An investment gain has been recorded of £29,924 as a result of movements in foreign exchange rates on investments held in Iceland. A further investment gain has been made of £62,326 as higher than expected recoveries were made during the year from Landsbanki. As the original loss was capitalised, the gain has been written back against capital, which will reduce future repayments of debt. In 2012/13, a provision of £1,107,164 has been made for the total statutory repayment of debt.

3.7 Additional income has been received in the form of the New Homes Bonus of £1,322,665. The balance of funds, not spent on projects during the year, has been placed in an earmarked reserve.

3.8 The main Service Committee variations for the financial year are:

#### **General**

3.8.1 There has been a substantial underspend in respect of support services, which has been recharged across all services (£733,179).

#### **Economy & Development**

3.8.2 Income from Car Park fees was exceeded the budget by £197,000 and contributed to an overall saving of £220,544 against the budget.

3.8.3 Additional Planning Fee income has contributed to an underspend of £72,090. Both Estates and Markets & Halls have earned higher income than budgeted contributing to respective underspends of £256,220 and £56,020. In total the Committee has underspent by £773,611.

#### **Community & Environment**

3.8.4 Museums have overspent by £44,229, which has been contributed to by a larger than anticipated Business Rates bill against which the Council is appealing and increased costs of utilities.

3.8.5 Parks & Open Spaces overspent by £83,270, due to increased arboricultural work and increased costs of dealing with illegal campers.

3.8.6 General Fund Housing has overspent. Housing Advisory services overspent by £129,112, which has been partially offset by underspends of £6,358 and £50,190 on Housing Development and Private Sector Housing respectively.

3.8.7 Overall the Committee has overspent by £205,482.

### **Resources**

- 3.8.8 There has been an increase in the level of benefits paid, for which subsidy is not received, causing an overspend of £135,221, which has been more than offset by an increase in Housing Benefit overpayments recovery and by savings in Treasury Administration, which have left the service £316,432 under budget.
- 3.8.9 A revised scale of Audit fees has resulted in savings this year, which along with a reallocation of costs has contributed to an underspend of £149,781.
- 3.8.10 Overall the Committee has underspent by £234,917.

### **Revenue Contribution to Capital**

- 3.9 There has been a contribution of £282,194 from Revenue to fund Capital Expenditure, reflecting both money received, that previously was treated as a capital receipt and funds used from the New Homes Bonus to finance capital schemes.

### **Earmarked Reserves**

- 3.10 Four new earmarked reserves are being proposed:-
- 3.10.1 The award of £100,000 to the RAMM for winning Museum of the Year has been transferred to an earmarked reserve to be spent on a commission for the Museum and to attract additional funding towards future major temporary exhibitions (£100,000).
- 3.10.2 Funds have been set aside to cover any potential costs incurred in respect of the compensation claim for the RAMM. If the claim is successful the costs will be recovered (£500,000).
- 3.10.3 An earmarked reserve is to be created to cover potential further costs in respect of the Exe Harbour Review (£5,000).
- 3.10.4 Exeter Business against Crime has a small surplus, which has been transferred to an earmarked reserve for re-investment in the service in future years (£9,964.45)
- 3.11 Additions to Earmarked Reserves totalling £2,037,657 have been made for specific schemes and purposes as summarised below: -
- Scrutiny Committee – Community: £ 617,213
  - Scrutiny Committee – Economy: £ 97,779
  - Council £1,322,665

There has also been £909,309 transferred from Earmarked Reserves as follows:-

- Scrutiny Committee – Community: £200,110
- Scrutiny Committee – Economy: £204,397
- Scrutiny Committee – Resources: £275,928
- Revenue Contributions to capital: £228,874

3.12 During 2012/13 there has been an overall net contribution to Earmarked Reserves of £1,128,348 as shown in Appendix C.

3.13 The movement on Earmarked Reserves and the balance at 31 March 2013 are:

	Balance at 31March 2012 £'000	Balance at 31March 2013 £'000	Movement £'000
Earmarked Reserves	1,892	3,020	1,128

#### **General Fund Balance and Supplementary Budgets**

3.14 At 31 March 2012 the General Fund working balance was £4,285,425 and a deficit of £927,378 has been recorded at 31 March 2013, leaving the current balance at £3,358,047. This is an improvement of £134,080 against the budgeted use of balances. The minimum requirement for the General Fund working balance was approved by the Executive in February 2013 at £2million.

3.15 There is a small requirement for supplementary budgets in 2013/14; which is set out in 3.16 below.

3.16 The Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year. Additionally a number of schemes to be funded by New Homes Bonus have been approved after the budget was set and these are included. It is therefore proposed that supplementary budgets totalling £287,860, identified in Appendix D are approved in 2013/14: -

- Scrutiny Committee – Resources; £ 6,000
- Scrutiny Committee – Community; £ 8,250
- Scrutiny Committee – Economy; £273,610

3.17 Taking into account the proposed supplementary budgets above, the uncommitted General Fund working balance at 31 March 2013 is £3,254,187 as the balance will be taken from earmarked reserves, specifically the New Homes Bonus reserve.

3.18 The Council is still faced with considerable financial challenges in the medium term particularly in respect of the significant reduction in grant as the new Government tackles the issue of reducing the national budget deficit.



#### 4. COUNCIL TAX

4.1 As at 1 April 2012, arrears amounted to £2.418m, the movements during 2012/13 were as follows:

	£m	£m
Arrears at 1 April 2012		2.418
Add:		
2012/13 debits raised net of discounts, benefits and transitional relief	48.766	
Less:		
Payments received	(48.996)	
Refunds and change in pre-payments	553	
Write-offs	<u>(187)</u>	
Arrears at 31 March 2013		<u>£2.554</u>

4.2 Against the arrears of £2.554m, a bad and doubtful debt provision of £825,000 has been provided, calculated in accordance with the appropriate accounting guidelines.

4.3 The 'In-Year' collection rate has decreased slightly in comparison with the previous year. The collection rate for 2012/13 was 97.3% compared with 97.4% in 2011/12.

#### 5. OUTSTANDING SUNDRY DEBT

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

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

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

5.2 An aged debt analysis of the Council's sundry debts is shown in the table below. Debt over 30 days old has decreased over the year from £1.719m to £1.602m – a reduction of £117,000. Debts over 5 years old relate in the main to two services, Housing Benefit overpayments and Housing.

Age of Debt	March 2012	March 2013
Up to 29 days (current)	£1,320,699	£1,104,106
30 days – 1 Year	£ 831,060	£ 941,024
1 – 2 years	£ 344,792	£ 381,736
2 –3 years	£ 218,292	£ 192,661
3 – 4 years	£ 84,303	£ 155,925
4 – 5 years	£ 82,126	£ 59,427
5 + years	£ 158,614	£ 186,878
<b>Total</b>	<b>£3,039,886</b>	<b>£3,021,756</b>

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

	Outstanding debt – 31 March 2013 £
▪ Commercial rent	1,056,337
▪ Trade waste / Cleansing	285,664
▪ Service charge, ground rent and major works for leasehold flat owners	66,013
▪ Home call alarms	5,912
▪ Housing benefit overpayments*	1,203,527
▪ Leisure Services & Museums	50,474
▪ Markets & Halls	32,121
▪ AFU	5,944
▪ Economy & Tourism	88,002
▪ HRA	129,806
▪ General Fund Housing	46,065
▪ River & Canal	30,607

\*These overpayments occur largely due to changes to claimants' circumstances resulting in a lower benefit entitlement once a reassessment is made. This figure represents about 2.3% of the total annual benefits paid and in the order of 85% of this amount is recovered.

## 6. DEBT WRITE-OFFS

6.1 The following amounts have been written-off during 2012/13:

• Council Tax	£187,044
• Business Rates	£401,209
• Sundry Debt	£37,602
• Housing Rents	£ 10,004

## **7. CREDITOR PAYMENTS PERFORMANCE**

- 7.1 Creditors' payments continue to be monitored in spite of the withdrawal of Statutory Performance Indicator BVPI8. The percentage paid within 30 days was 94.79% for 2012/13 compared with 96.64% for 2011/12.

## **8. RECOMMENDATION**

It is recommended that Scrutiny Resources Committee and the Executive note the report and Council notes and approves (where applicable):

- 8.1 That the net transfer of £1,128,348 to Earmarked Reserves as detailed in paragraph 3.11 is approved.
- 8.2 That supplementary budgets of £287,860 be approved as detailed in paragraph 3.16
- 8.3 That Earmarked Reserves at 31 March 2013 be noted;
- 8.4 That the Council Tax account and collection rate be noted;
- 8.5 That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted;
- 8.6 That the creditor payments performance be noted;
- 8.7 By taking into account the overall financial position of the Council as set out in paragraph 3.14 above, the General Fund working balance at 31 March 2013, be approved at £3,358,047;
- 8.8 That the Housing Revenue Account working balance at 31 March 2013 is approved at £6,290,297 and the Council Own Build working balance is approved at £73,498.

ACTING ASSISTANT DIRECTOR FINANCE

**Local Government (Access to Information) Act 1985 (as amended)**  
**Background papers used in compiling the report:**  
None

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HOUSING REVENUE ACCOUNT  
2012/13 REVENUE OUTTURN - SUMMARY

Code	Approved Annual Budget	2012-2013 Outturn	Variance To Budget
	£	£	£
85A1 Management	2,992,070	2,758,353	(233,717)
85A3 Sundry Lands Maintenance	262,170	266,314	4,144
85A4 Repairs Fund Contribution	9,924,020	12,440,488	2,516,468
85A6 Capital Charges	0	0	0
85A8 Rents	(17,387,550)	(17,926,755)	(539,205)
85B2 Interest	1,889,020	1,935,726	46,706
85B4 Variance in Working Balance	2,320,270	525,874	(1,794,396)
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Working Balance</b>	<b>1 April 2012</b>	<b>31 March 2013</b>	
	£ 5,764,423	£ 6,290,297	

COUNCIL OWN BUILD SITES

Code	Approved Annual Budget	2012-2013 Outturn	Variance To Budget
	£	£	£
H006 Rowan House	(6,450)	(8,360)	(1,910)
H007 Knights Place	(36,400)	(44,919)	(8,519)
H008 Capital Financing	15,000	7,987	(7,013)
H009 Capital Charges	10,280	0	(10,280)
<b>Variance in Working Balance</b>	<b>17,570</b>	<b>45,292</b>	<b>27,722</b>
<b>Working Balance</b>	<b>1 April 2012</b>	<b>31 March 2013</b>	
	£ 28,206	£ 73,498	

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**GENERAL FUND  
2012/13 REVENUE OUTTURN - SUMMARY**

**APPENDIX B**

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Outturn £	Variance to Budget Q4 £	Variance to Budget Q3 £
SCRUTINY - COMMUNITY	13,552,090	55,200	13,607,290	13,841,979	234,689	(185,060)
SCRUTINY - ECONOMY	(2,537,130)	71,060	(2,466,070)	(3,239,681)	(773,611)	(775,660)
SCRUTINY - RESOURCES	6,094,780	12,000	6,106,780	5,882,712	(224,068)	161,250
Senior Management Restructure	(500,000)		(500,000)	0	500,000	500,000
less Notional capital charges	(3,029,790)		(3,029,790)	(3,080,714)	(50,924)	0
<b><u>Service Committee Net Expenditure</u></b>	<b>13,579,950</b>	<b>138,260</b>	<b>13,718,210</b>	<b>13,404,296</b>	<b>(313,914)</b>	<b>(299,470)</b>
Net Interest	150,000		150,000	35,605	(114,395)	(66,000)
Investment gain	0		0	(29,924)	(29,924)	0
Local Services Support Grant	(505,470)		(505,470)	(505,470)	0	0
New Homes Bonus	(1,322,665)		(1,322,665)	(1,322,665)	0	0
Minimum Revenue Provision	1,076,000		1,076,000	1,107,164	31,164	31,164
Revenue Contribution to Capital	0		0	282,194	282,194	0
Municipal Mutual Insurance Levy	0		0	80,000	80,000	0
<b><u>General Fund Expenditure</u></b>	<b>12,977,815</b>	<b>138,260</b>	<b>13,116,075</b>	<b>13,051,199</b>	<b>(64,876)</b>	<b>(334,306)</b>
Transfer To/From(-) Working Balance	(923,198)		(1,061,458)	(927,378)	134,080	535,603
Transfer To/From(-) Earmarked Reserves	1,197,065	(138,260)	1,197,065	1,128,348	(68,717)	(200,810)
<b><u>General Fund Net Expenditure</u></b>	<b>13,251,682</b>	<b>0</b>	<b>13,251,682</b>	<b>13,252,169</b>	<b>487</b>	<b>487</b>
Formula Grant	(8,257,807)		(8,257,807)	(8,257,807)	0	0
Council Tax Freeze Grant	(237,283)		(237,283)	(237,770)	(487)	(487)
<b><u>Council Tax Net Expenditure</u></b>	<b>4,756,592</b>	<b>0</b>	<b>4,756,592</b>	<b>4,756,592</b>	<b>0</b>	<b>0</b>

**March 2013**

**3,358,047**

**£ 4,285,425**

**March 2012**

**Working Balance**

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<b>Transfers from Reserves</b>
--------------------------------

81A6	Countryside Grants	(15,331.00)
81A8	Isca Bowls	(30,000.00)
81C2	Devon Home Choice	(90.11)
83A2	Green Travel	(2,648.46)
83A5	Olympics events	(22,000.00)
83B5	Planning Delivery	(16,550.09)
83B5	Local Development Framework	(10,440.37)
83B5	Habitat Assessment	(1,140.00)
83B7	AFU Archiving	(33,902.51)
86A5	Strategic Review	(42,239.00)
	New Homes Bonus funded schemes	(334,967.40)
	Redundancy	(400,000.00)
		<b>(909,308.94)</b>

<b>Transfers to Reserves</b>
------------------------------

81A3	Vehicle Licensing	17,213.68
81A7	RAMM Museum of the Year Award	100,000.00
81A7	RAMM Costs	500,000.00
83A4	EBAC	9,964.45
83A9	Building Control	62,005.29
83B7	AFU Archiving	20,808.92
83C1	River & Canal	5,000.00
	New Homes Bonus	1,322,665.00
		<b>2,037,657.34</b>

Net transfer to / (from) Earmarked Reserves	<b>1,128,348.40</b>
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Funded by

<b>Resources</b>			
86B5	Replacement of Staff Uniforms	General Fund Balance	6,000
			<u><u>6,000</u></u>
<b>Community and Environment</b>			
81C4	Condition Survey	General Fund Balance	8,250 each of next 4 years
			<u><u>8,250</u></u>
<b>Economy &amp; Development</b>			
83B9	Bus & Coach Station Site	New Homes Bonus	50,000
	Exeter & Heart of Devon Funding	New Homes Bonus	80,000
	Promotional Video	New Homes Bonus	9,000
	City Centre BID	New Homes Bonus	25,000
83B4	Knowledge Economy Strategy	New Homes Bonus	20,000
	AIM Carry forward	General Fund Balance	89,610
			<u><u>273,610</u></u>
	<b>Overall Total</b>		<u><u>287,860</u></u>

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES

19 JUNE 2013

EXECUTIVE

1 JULY 2013

COUNCIL

16 JULY 2013

### TREASURY MANAGEMENT – 2012/13

#### 1. PURPOSE OF REPORT

- 1.1 To report the overall performance for the 2012/13 financial year and the position regarding investments and borrowings at 31 March 2013.

#### 2. FINAL NET INTEREST POSITION

- 2.1 The General Fund shows an improvement against the estimate for net interest payable, the position is:

	Estimate		Actual	Variation
	£		£	£
<b>Interest paid</b>	125,000		48,080	(76,920)
<b>Interest earned</b>				
Temporary investment interest	(36,000)		(62,060)	(26,060)
Other interest earned	(1,750)		(844)	906
Less				
Interest to HRA	52,500		40,183	(12,317)
Interest to s106 agreements	8,000		7,229	(771)
Interest to Trust Funds	2,250		2,994	744
Lord Mayors Charity	0		23	23
	<u>25,000</u>		<u>(12,475)</u>	<u>(37,475)</u>
<b>GF Net interest paid</b>	<b><u>150,000</u></b>		<b><u>35,605</u></b>	<b><u>(114,395)</u></b>
<b>Investment Gain – General Fund</b>	<b>0</b>		<b>(29,924)</b>	<b>(29,924)</b>
<b>Investment Gain - Capital</b>	<b>0</b>		<b>(62,326)</b>	<b>(62,326)</b>

- 2.2 The other interest earned relates to car loan repayments. The investment gain of £29,924 relates to a gain on the foreign exchange rates, relating to the two investments repaid in Icelandic Krona, which due to currency restrictions remain invested in Iceland. Additionally an investment gain has been recognised totalling £62,326 on the value of the Landsbanki investment. As the loss was originally capitalised this gain has been written off against the initial capital expenditure and will reduce our provisions for repaying debt in future years.

- 2.3 The HRA has earned £40,183 interest on its balances. This is calculated on the following:
- HRA working balance;
  - the balance of funds in the Major Repairs Reserve.

However it has also had to pay interest on borrowing this year. As members will be aware, the Council has had to borrow £56,884,000 to buy itself out of the HRA subsidy scheme. Interest of £1,979,563 has been charged to the HRA to cover the interest payment. Additionally £7,987 has been charged on the borrowing used to fund the Council's Own Build properties.

- 2.4 Two principal factors have caused the underspend against budget for net interest payable. Please see section 3.1 for an explanation.

### **3. INVESTMENT INTEREST**

- 3.1 Interest rates remain at record low levels and indications are that they will remain at this level for several years. This has caused borrowing rates from other Local Authorities to drop to around 0.5% for one year money. This has reduced the cost of borrowing to the Council significantly. Additionally, the investments that remain held in Iceland have benefitted from relatively high rates of interest (over 4%) and favourable foreign exchange rates. This has meant significantly higher than budgeted investment income for the year.

- 3.2 There has been much progress in respect of recovering the £5m invested in two Icelandic banks back in late 2007. The Supreme Court in Iceland upheld the ruling that Local Authorities were priority creditors and the two banks have commenced payments. Further details are set out below.

#### **3.3 Glitnir**

Glitnir repaid in full the funds invested during 2011-12. However the proportion that was repaid in Icelandic Krona remains invested in Iceland owing to currency controls that restrict the movement of Krona out of Iceland. The money is currently invested at 4.2% and during the year has earned £16,518 interest and gained £28,302 in Foreign Exchange movements taking the total value of the investment to £427,387.

#### **3.4 Landsbanki**

Landsbanki have continued to make repayments during 2012-13. A further £576,040 has been repaid, all of which has been repaid in currencies that the Council has been able to convert into Sterling. This means that £1.527m has now been repaid and £1.472m plus interest of £189,000 is outstanding. It is still anticipated that the Council will recover 100% of the funds invested plus the interest. Of the funds repaid, only a small amount remains in Iceland and totals £24,504. It is expected that full recovery will take a number of years and the best estimate for the final return of all funds is 2019.

#### **4. BORROWINGS**

- 4.1 The Council has had to borrow temporarily for cashflow purposes throughout the year and incurred interest of £56,067 during the year. Of this £7,987 has been allocated against the Council Own Build scheme (HRA). Interest rates have remained very low throughout the year. At 31 March 2013, the Council had £15m of short term borrowing, an increase of £7m over last year.
- 4.2 The Council has borrowed £56,884,000 long-term to cover the payment required by the Government in respect of the HRA self-financing scheme. The money has been borrowed from the Public Works Loans Board (PWLB) over 50 years and is repayable on maturity in March 2062. The interest rate is 3.48% and annual interest payments are £1,979,563.

#### **5. FUTURE POSITION**

- 5.1 As interest rates remain very low, the Council will continue to use short term borrowing to manage its cashflow. Current rates for borrowing are approximately 0.5% for up to 1 year. Borrowing over 25 years through the Public Works Loans Board costs around 4.16% for a loan repayable on maturity or 3.38% for a loan with equal repayments of the loan principal throughout the term of the loan. The Council has applied for the Government's new certainty interest rate, which is 0.2% lower than the normal PWLB rates, this is offered in return for us setting out our borrowing plans for the forthcoming year.
- 5.2 The internal investment strategy has been tightly restricted to UK only banking operations meaning that it is difficult to invest at the moment. The Council is planning to open a Money Market Fund which is AAA rated and offers around 0.38%, and a call account with Barclays offering 0.5% for the average annual balance. We will also lend to other Local Authorities and the Debt Management Office. However the rates received are between 0.25% and 0.3%, which will continue to have an adverse impact of the interest earned by both the General Fund and the HRA.
- 5.3 During the year it is likely that further repayments will be made by Landsbanki, and the LGA and their legal advisers continue to seek a resolution to the funds held in Icelandic Krona.

#### **6. RECOMMENDATION**

- 6.1 That Scrutiny and Executive support and Executive recommend to Council the Treasury Management report for the 2012/13 financial year.

ACTING ASSISTANT DIRECTOR FINANCE

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

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

None

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## EXETER CITY COUNCIL

### SCRUTINY RESOURCES 19 JUNE 2013

EXECUTIVE  
1 JULY 2013

COUNCIL  
16 JULY 2013

## CONSULTATION & NEGOTIATION FRAMEWORK

### 1. PURPOSE OF REPORT

- 1.1. To establish a framework for undertaking effective, timely and meaningful consultation and negotiations at the Council for incorporation into the Council's Constitution.

### 2. BACKGROUND

- 2.1. The Employee Liaison Forum is a consultative committee only, and therefore does not provide for negotiations and collective consultation (as defined in section 195 of the Trade Union and Labour Relations (Consolidation) Act 1992) arrangements at the Council. As such, the Council has no agreed framework with the recognised trades unions to negotiate changes to existing terms and conditions of employment. Whilst it is possible to undertake negotiations with the trades unions, there is a risk that the negotiated change would be unenforceable if decided upon without an agreed framework.
- 2.2. The Council is currently seeking to introduce a flexibility clause for incorporation into its Single Status Agreement, and may also need to make changes to other locally agreed terms and conditions of employment in the future. Such changes will require negotiations with the recognised Trades Unions.
- 2.3. In addition, should the Council need to make changes to the workforce resulting in the dismissal of 20 or more employees (be that through redundancy or dismissal and re-engagement on new terms and conditions of employment) within a 30 day period, a framework for collective consultation also needs to be established.
- 2.4. The introduction of negotiation and collective consultation arrangements will require agreement at full Council as its implementation will require amendments to the Constitution.
- 2.5. Discussions have commenced with the unions to introduce a consultation and negotiation framework attached as Appendix 1. This arrangement would seek to incorporate the consultation and Health and Safety elements associated with the existing Employee Liaison Forum as a more frequent and effective means of undertaking consultation at the Council, as well as introducing a means of conducting negotiations and collective consultations. Indications from the three recognised Trades Unions are that they would be in favour of the proposal outlined.

### **3. RECOMMENDATIONS**

- 3.1. The proposed constitution for a joint Consultation and Negotiation Committee as set out in Appendix 1 be agreed for adoption in place of the Employee Liaison Forum, following agreement with the recognised Trade Unions;
- 3.2. To delegate to the Corporate Manager Democratic and Civic Support all consequential amendments required to the Constitution.

HUMAN RESOURCES BUSINESS MANAGER

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

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

None

**DRAFT**  
**JOINT CONSULTATION & NEGOTIATION COMMITTEE**

**EXETER CITY COUNCIL**

1. This is a constitutional agreement between Exeter City Council (the Council) and UNISON, Unite the Union and UCATT (Union of Construction, Allied Trades and Technicians) (the recognised unions). During the operation of this constitutional agreement, these unions only will be recognised for collective bargaining purposes.

The Council recognises the role of the recognised unions party to this agreement in representing the interests of their members and organising and recruiting into membership.

2. With effect from [TBA], a Joint Consultation & Negotiation Committee (the Committee) for the Council will be established with the constitution and functions set out in the attached Joint Consultation & Negotiation Committee Constitution.
3. Any provision of this constitutional agreement may be amended from time to time by agreement of all the signatory parties. The constitutional agreement itself will remain in force until such time as it is terminated by six months notice in writing given by either side to the other side's Joint Secretary.
4. Any of the recognised unions may withdraw from the Committee by giving six months' notice in writing. In the event of any of the recognised unions serving notice to withdraw, those union(s) may not be afforded separate bargaining rights.

SIGNED on behalf of Exeter City Council .....

SIGNED on behalf of  
UNISON .....

SIGNED on behalf of the  
Unite the Union .....

SIGNED on behalf of  
the UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS .....

HR

6 June 2013

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Date: .....

## **JOINT CONSULTATION & NEGOTIATING COMMITTEE**

### **CONSTITUTION**

#### **1. COMPOSITION**

- a. The Joint Consultation & Negotiating Committee (the Committee) shall consist of a maximum of 6 members appointed as shown below:-

Council Members	Strategic Management Team	2
	HR Business Manager	1
Recognised Union Members:-	UNISON	2
	Unite the Union / UCATT	1
Total		6

- b. In addition, the Leader of the Council and/or Portfolio Holder for HR and Business Transformation will be invited to attend the Committee on an ex officio basis.
- c. The Council and the recognised trade unions shall review their nominations for membership annually in [TBA – anniversary of implementation] each year. Casual vacancies may be filled as they arise.

#### **2. DATE OF OPERATION**

The members of the Committee shall carry out their constitutional functions with effect from [TBA].

#### **3. FUNCTIONS**

##### General

- a. To promote a good and stable employment relations climate throughout the Council.

##### Negotiating

- b. The negotiation of any variations or agreements relating to employees who fall within the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service NJC National Agreement (Part 3 matters / local conditions of service); and the Joint Negotiating Committee's

for Chief Officers of Local Authorities and Local Authority Chief Executives to be incorporated into employment contracts via collective agreement(s).

#### Consultative

- c. The introduction of / changes to employment policies, working practices, organisation design and physical working conditions at a corporate level, together with Health & Safety matters referred by the JNC for Health & Safety and any other item which both sides agree to refer
- d. Collective consultation in respect of Redundancy as defined in section 195 of the Trade Union and Labour Relations (Consolidation) Act 1992, and TUPE as defined in the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246)

The Committee will not consider any matter concerning an individual employee such as discipline, grievance, promotion or capability, pay and grading and payroll matters.

#### 4. **QUORUM**

A Quorum shall consist of two representatives from the Council and two of the trade unions' representatives which will be from at least two trade unions.

#### 5. **SUBSTITUTES**

A substitute may be nominated to attend a meeting of the Committee on behalf of any member. The substitute will have the same powers as appointed members. Any trade union substitute must be nominated by his/her trade union and must be either a full time officer or an accredited official of that recognised trade union.

#### 6. **CHAIRPERSON**

The meetings will be chaired by a representative from the Council.

#### 7. **JOINT SECRETARIES**

One Joint Secretary shall be nominated by the Council and one by the trade unions in May each year. The Joint Secretaries will be responsible for the production of a record of meetings of the Committee.

#### 8. **POWER TO CO-OPT**

The Committee may co-opt any person or persons with special knowledge to assist them in carrying out its functions. Such persons shall have no right to vote.

The Committee may set up joint Working Groups to exercise any of its functions or business within terms of reference delegated by the Committee.

9. **FREQUENCY OF MEETINGS**

Meetings shall be held monthly. Provisional dates for meetings will be set in May each year.

DRAFT

## **FACILITIES FOR MEETINGS**

The Council will provide facilities and accommodation for holding meetings of the Committee, including pre-meetings.

Meetings will be held during normal working hours and the trade unions' lay representatives will be paid their normal salary for the time spent at and travelling to and from such meetings and any reasonable associated expenses. Any travelling time outside normal hours will be compensated in the form of equivalent time off in lieu.

## **10. AGENDAS AND RECORDS OF MEETINGS**

The Joint Secretaries will circulate Agendas no later than 10 working days before the date of the meeting. The Agenda will specify which items are matters for joint negotiation and which items are matters for consultation. An unconfirmed record of each meeting will be circulated as soon as possible after each meeting but certainly within 20 working days of the meeting.

## **11. BUSINESS MATTERS**

No business shall be transacted at any meeting of the Committee or any sub-group unless notice has been given to the Joint Secretaries before the Agendas are circulated. The Chairperson may allow consideration of an item of business which in his/her opinion is of sufficient importance or urgency to justify consideration at that meeting.

## **12. AGREEMENTS / ADOPTION OF RESOLUTIONS**

Agreements reached between the recognised trades union members and Council members of the Committee and/or decisions taking in relation to 3 a, c and d on matters delegated to Officers shall be adopted / implemented. Where authority has not been delegated to Officers, such agreements will be referred to Scrutiny Committee (Resources) and / or Executive for resolution / adoption.

Agreements in relation to item 3(b) of this constitution shall be reached by vote. Each Council appointed member will have one vote. Each trade union appointed member will have one vote. Those in attendance on an ex-officio basis are not eligible to vote. Union representatives will have the delegated power to agree on behalf of their Membership. Each side of the Committee being in favour (by majority on each side) will constitute an agreement for resolution at Executive Committee to be adopted and binding on both sides.

Agreements will be incorporated into employment contracts for employees covered by the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service and, as appropriate, other occupational groups covered by the Council's single status agreement.

All efforts will be made to reach agreement, including the involvement of full-time Officers of the recognised Trades Unions through substitution arrangements contained in this Constitution. Where agreement on matters of negotiation cannot be reached the matter will be referred to the South West Provincial Council for conciliation.

### 13. **FINANCE**

The Council will meet the administrative expenses associated with meetings of the Committee.

DRAFT



## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 19 JUNE 2013

#### NEW HOMES BONUS UPDATE

#### 1. PURPOSE OF THE REPORT

- 1.1 To provide an update on the latest position regarding the allocation of New Homes Bonus Funding.

#### 2. BACKGROUND

- 2.1 New Homes Bonus is a grant paid to all English authorities in recognition of net additions to effective housing stock in their area. The Bonus is intended to be a permanent incentive paid in respect of new build, conversions, and long-term empty properties bought back into effective use. Payments for each eligible property are paid for six years and are calculated per home in terms of the national average Council Tax Band for that home. A flat rate of £350 per year is also paid for each affordable home delivered.
- 2.2 Housing stock is recorded by authorities on the Council Tax Base form, which measures changes from year to year, with additions becoming eligible for New Homes Bonus grant. The data is taken in October each year and the Bonus is paid in the following financial year. Affordable housing data is taken from the Government's official statistics.
- 2.3 New Homes Bonus is an unringfenced grant, which means local authorities are free to decide how to spend it, as they are in the best position to make decisions about local priorities. As unringfenced grant, Bonus funds can be spent on either revenue or capital, strategic projects, or placed in a local authority's reserves. There is no time limit on when the funds can be spent. However, the Government expects local authorities to engage with the communities most affected by housing growth to decide how the money is spent, so residents can share in the benefits of growth. When New Homes Bonus was first introduced in 2011/12, additional funding for the scheme was provided by the Government. However this is no longer the case and from 2013/14 onwards funding for the scheme is met by being 'top-sliced' from mainstream grant funding.
- 2.4 To date the Council has received New Homes Bonus of £389,165 in 2011/12, £1,322,664 in 2012/13 and £2,204,830 for the current 2013/14 year.

#### 3. ALLOCATION OF NEW HOMES BONUS

- 3.1 In December 2011 the Executive determined how the New Homes Bonus would be allocated, with 30% and 50% of the funding going towards community projects and major infrastructure respectively after allowing for a £120,000 'top slice' for capacity building and neighbourhood planning. This method of allocation was subsequently reviewed, and in December 2012 the Executive agreed that the funding for community projects would be set at a maximum level of £250,000 per annum from 2013/14 onwards. Based upon this revised allocation and using future estimates of New Homes Bonus funding, the broad allocation would be as set out in the following table:-

Year	Top Slice £000's	Ward Projects £000's	Community Projects £000's	Major Infrastructure £000's	Unallocated £000's	Total £000's
2011/12	-	-	-	-	389	389
2012/13	120	36	325	601	241	1,323
2013/14	120	36	250	1,418	381	2,205
2014/15	120	36	250	1,937	511	2,854
2015/16	120	36	250	2,456	641	3,503
2016/17	120	36	250	2,976	770	4,152
2017/18	120	36	250	3,183	823	4,412
<b>Total</b>	<b>720</b>	<b>216</b>	<b>1,575</b>	<b>12,571</b>	<b>3,756</b>	<b>18,838</b>

- 3.2 The table below gives a summary of what has either been spent or committed to date in respect of the New Homes Bonus funding up to the end of the previous (2012/13) financial year. Additional approval has been given to provide up to £20,000 over the next three years to support enforcement action on empty homes and up to £300,000 per property to fund the purchase of empty properties. As these funds will be replenished from the sale of the property, they have not been included in the figures below.

	Allocation £000's	Spent/Committed £000's	Balance £000's
<b>2011/12</b>			
Unallocated	389	0	389
<b>2012/13</b>			
Capacity Building	100	21	79
Neighbourhood Plans	20	0	20
Ward Projects	36	36	0
Local Community Projects	325	310	15
Major Infrastructure	601	351	250
Unallocated	<u>241</u>	<u>76</u>	<u>165</u>
	1,323	794	529
<b>Total</b>	<b>1,712</b>	<b>794</b>	<b>918</b>

- 3.3 A further breakdown of the commitments and expenditure to date is provided below:-  
£

Capacity Building

Exeter Citizens Advice Bureau Welfare Reform Support 21,285

Ward Projects

Various 36,000

Local Community Projects (allocated by New Homes Bonus Panel)

Newtown Community Association	70,000
Topsham Rugby Club	50,000
Exeter Community Centre	50,000
Countess Wear Community Centre	70,000
Newcourt Community Association Centre	<u>69,750</u>
	309,750

Major Infrastructure

Bus and Coach Station Redevelopment including new Pool	81,500
Princesshay Artwork	40,000
Installation of Solar Panels on Council owned property	<u>230,000</u>
	351,500

Unallocated

Christmas Promotional Activities	12,500
Knowledge Economy Strategy	20,000
City Centre Business Improvement District	25,000
Promotional Video	<u>18,000</u>
	75,500

**4. RECOMMENDATION**

It is recommended that:

- 4.1 Scrutiny Committee Resources notes the current position regarding the allocation and use of New Homes Bonus Funding up to 31 March 2013.

ACTING ASSISTANT DIRECTOR FINANCE

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

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

None

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## EXETER CITY COUNCIL

### SCRUTINY RESOURCES 19 JUNE 2013

#### WORKFORCE PROFILE 2012/13

#### 1. PURPOSE OF REPORT

- 1.1 To provide the Committee with an outline workforce profile for the Council as at the end of March 2013.
- 1.2 To highlight any trends and interventions recommended as appropriate.

#### 2. BACKGROUND

- 2.1 The Council has commenced a programme of business transformation. This programme requires the organisation to think differently about the ways we deliver our services to our customers, and to rebuild systems of work to deliver our purposes as identified in the Corporate Plan. This work will change the way we manage performance at the Council, requiring us to develop measures which are aimed at enabling us to act on systems to maintain and improve the services we deliver. As a result, Human Resources will need to identify, in partnership with Services, the types of measures required (and therefore the information needed for workforce planning and profiling) which supports this work.
- 2.2 Whilst we are in the process of developing a new set of data regarding workforce profiles, this report continues the approach taken in previous years, and is likely to be the last such report delivered in this format.
- 2.3 The economic climate nationally continues to have a substantial impact on the Council. Overall, we continue to see a reduction in the size of the Council's workforce through the implementation of redundancies and careful management of natural attrition. Over the course of the last 5 year, the Council has reduced from 960 employees in 2008 to 789 in March 2013 (approximately 18%).
- 2.4 Recruitment levels remain suppressed due to both the economic climate and careful management of attrition in a reducing organisation. As a result of this, the ongoing changes at the Council and the need to develop relevant measures which support these changes, this report will focus on employee data. It therefore provides the following data as at 31 March 2013:  
  
Baseline workforce data  
Sickness Absence data
- 2.5 Unfortunately, there is limited current workforce data in relation to Local Government. National and Local Government Workforce information is therefore based on the 2011 Census data; the Local Government Earnings Survey 2012/13 (demographic Feedback File); the Local Government Demographics October 2010 LGA report (disability related information); and the Local Government Workforce Survey 2011 (sickness and apprenticeship information).

### 3. PROFILE BY GENDER

3.1 The Local Government Earnings Survey 2012/13 (demographic feedback file) gives the gender breakdown between male and female workers in Shire District Council's as 48% / 52% respectively, and in the South West local government workforce as 23% / 77% respectively. Therefore, Exeter City Council's gender profile (as show in the table below) continues to buck the national and regional trend. The Council continues to directly employ significant groups of employees where the profile is male dominated (Cleansing and Recycling, Parks and Open Spaces and Civil Parking enforcement for example).

Gender	2011/12	2012/13	2011/12	2012/13
Male	465	439	57%	56%
Female	352	350	43%	44%
<b>Total</b>	<b>817</b>	<b>789</b>		

### 4. PROFILE BY GRADE

4.1 The breakdown of the percentage of employees by pay grade remains largely unchanged over the last few years.

Grade	% of all employees			% by Gender 2012/13	
	2010/11	2011/12	Total	Male	Female
Apprentices	0	0	1	40	60
1	6	6	6	83	17
2	9	8	9	93	7
3	8	8	7	45	55
4	15	16	16	57	43
5	19	20	19	33	67
6	14	11	10	54	46
7	8	8	8	48	52
8	8	8	7	47	53
9	6	6	5	58	42
10	3	4	4	64	36
11	2	1	2	59	41
12	2	2	1	82	18
13	1	1	1	73	27
14	1	1	1	80	20
Senior Managers			2	79	21

4.2 The breakdown of grade by gender indicates that the significant proportion of our lowest paid employees (Apprentices and Grades 1 and 2) are male, and reflective of the male dominated refuse collection and recycling functions of the Council. For the most part, there is a fairly even balance between male and female workers at most other grades within the Council.

4.3 The top 5% of earners at the Council are contained in Grades 12 to 14 and Senior Management. As such, the gender split among the top 5% of earners is 78% Male and 22% Female, revealing that the significant proportion of our highest paid earners are male.

Insert chart of breakdown by grade by gender

## 5. PROFILE BY AGE

- 5.1 The following table sets out the age profile at the Council (by gender and overall) and compares this to the overall age profile in Shire District Councils and the SW Local Government Workforce as contained in the Local Government Earnings Survey 2012/13<sup>1</sup> (demographic feedback file).

Age Range	Female %		Male %		Total %		Shires %	SW %
	11/12	12/13	11/12	12/13	11/12	12/13		
16-25	1	2	3	2	4	4	7.3	4.0
26-35	11	11	9	8	20	19	17.4	13.3
36-44	10	10	11	10	21	20	22.9	26.1
45-54	13	13	18	20	31	33	29.9	34.0
55-60	6	6	10	10	16	16	12.7	12.7
61+	2	2	6	6	8	8	9.7	9.9
	43	44	57	56	100	100		

- 5.2 The age profile across Exeter and Devon as per the 2011 Census is as follows:

Age Group	Exeter %	Devon %
16-25	20.6	11.7
26-35	14.2	9.6
36-44	11.5	11.2
45-54	12.1	14.1
55-60	6.0	7.9
61+	19.8	28.9

- 5.3 Whilst the Council's age profile is divergent from the Exeter and Devon demographic, it is broadly in line with the Shire District and South West regional trend for Local Government workforces. Low turnover will inevitably continue to move the age profile upwards year on year. The Council re-introduced an apprenticeship programme in 2012 to support the reduction in youth unemployment and address its own aging workforce profile. This is a rolling programme providing a maximum of 10 apprenticeship places in any one year (5 more than the national average for Shire Districts in 2010/11).

## 6. DISABILITY PROFILE

- 6.1 The LGA's Local Government Demographics report of October 2010 gives a breakdown of 15.7% of the local government workforce as being disabled and 84.3% as not disabled. Whilst the Council's true profile is not known as many employees have made no declaration either way, the profile at the Council falls short of the Local Government demographic.

Declared disability	Head count		% Percentage	
	2011/12	2012/13	2011/12	2012/13
Not known	142	142	17	18
No	654	627	80	79
Yes	21	20	3	3
Total	817	789	100	100

<sup>1</sup> The percentage comparison of workforce by age range is indicative due to the profile data used historically by the Council and that in the earnings survey being based on slightly differing age ranges

## 7. PROFILE BY ETHNICITY

- 7.1 The Council's profile mirrors the profile of other Shire Councils, as well as the Local Government demographic for the South West (in relation to data from the Local Government Earnings Survey 2012/13 (demographic Feedback File) and the demographic for Devon taken from the 2011 Census. In addition, it is not significantly out of line with the demographic for Exeter.

Ethnicity	2012/13		Shires	SW	Exeter	Devon
	Headcount	% <sup>2</sup>	% <sup>2</sup>	% <sup>2</sup>	%	%
White British	710	93	96.7	97.9	88.3	94.9
White Other	38	5			4.7	2.6
B&ME	14	2	3.3	2.1	6.9	2.4
Not Known /Declared	27	3	9	15.6		

## 8. RELIGIOUS BELIEF PROFILE

- 8.1 The Council holds limited data given that more than half of the workforce has not disclosed religious belief as part of the employment record. However, the data held does broadly reflect the demographic profile from the 2011 Census for Exeter and Devon.

Religion	2012/13		Exeter	Devon
	Headcount	%	%	%
Buddhist	2	0	0.6	0.4
Christian	241	31	53.9	61.5
Hindu	1	0	0.3	0.1
Jewish	0	0	0.1	0.1
Muslim	1	0	1.6	0.4
Sikh	0	0	0.1	0.0
Other	19	2	0.6	0.6
None / No Religion	67	9	34.7	28.5
Not Declared	458	58	8.1	8.4

## 9. SICKNESS ABSENCE PROFILE

- 9.1 The most recent Local Government workforce data relating to sickness absence is the Local Government Workforce Survey 2011. This puts the average number of days lost due to sickness absence for all Local Authorities at 8.6, and for Shire Authorities at 8.3. Whilst this the Council's sickness rose slightly in 2012/13 from a low figure the year before Exeter remains below the most recent data currently available:

2009/10	10.16
2010/11	8.63
2011/12	6.76
<b>2012/13</b>	<b>7.84</b>

<sup>2</sup> Excludes 'not declared' / 'not known' data



9.2 Sickness absence is broken down for monitoring and management purposes into 2 categories: long term – more than 20 consecutive days and short term – less than 20 consecutive days. The balance continues to demonstrate a 3 fifths and 2 fifths split between long term and short term absence respectively. This compares with a 50/50 split for Local Authorities who provided data for the Local Government Workforce Survey 2011.

	2010/11	2011/12	2012/13
<b>Long term absence</b>	59%	59%	60%
<b>Short term absence</b>	41%	41%	40%

9.3 The top three causes of sickness absence in Local Authorities identified in the Local Government Workforce Survey 2011 were stress, depression, anxiety, mental health and fatigue (19.4 per cent), followed by other muscular skeletal problems (15.3 per cent) and infections (12.1 per cent).

9.4 The top three causes of sickness absences during 2012/13 at the Council were:

Stomach problems	14%
Viral – includes colds/flu	14%
E.N.T and Other	10% each

9.5 The Council's absence reasons profile for 2012/13 has not altered significantly from the previous year and is as follows:

	2011/12 %	2012/13 %
Back	7	<b>8</b>
Chest	7	<b>7</b>
E.N.T.	8	<b>10</b>
Head	9	<b>9</b>
Heart	3	<b>2</b>
Muscle	10	<b>9</b>
Pregnancy	2	<b>2</b>
Stomach	14	<b>14</b>
Stress	6	<b>7<sup>3</sup></b>
Viral	13	<b>14</b>
Other	11	<b>10</b>
Not known	10	<b>8</b>

## 10. CONCLUSION

10.1 Given the impact of the economic climate and budgetary pressures against a commitment to deliver the business transformation programme, the council will need to balance its people resources carefully to ensure that customer demand through improved services continues to be met.

10.2 As a result of low levels of recruitment the overall workforce profile related to age, gender, ethnicity etc. has remained fairly static.

10.3 The Council may wish to consider undertaking further work to improve the data held in respect of employees with a disability before embarking on any specific interventions in relation to this profile.

<sup>3</sup> We are not able to distinguish between work and non work related stress since most staff will only identify the reason for their absence as stress

10.4 The Council has already identified an equality target aimed at increasing the number of female employees in the management structure and will be paying particular attention to the development of manager training which encourages women in the organisation to develop as senior managers. In addition the Council is investigating ways of targeting and encouraging more women to apply for management posts when the opportunities to do so arise.

10.5 The Council publishes workforce profile information on an annual basis.

10.6 The Council will be developing employee data aimed at supporting the business transformation work and enabling managers to take early and proactive action to influence improved performance, capacity and capability of the workforce in delivering services.

## **11. RECOMMENDATION**

11.1 Human Resources undertake work to improve the data held in respect of the protected characteristics of the Council's workforce with a view to establishing any further interventions which may be required to increase the Council's diversity, and to support the equality objectives already identified.

11.2 That the Scrutiny Committee note the contents of this report which will also be shared with the Employee Liaison Form (ELF).

HUMAN RESOURCES BUSINESS MANAGER

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

2011 Census Data  
Local Government Earnings Survey 2012/13  
Local Government Demographics October 2010  
Local Government Workforce Survey 2011

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES

19 JUNE 2013

#### SUSTAINABLE PROCUREMENT AND COMMISSIONING ACTION PLAN UPDATE

##### 1. PURPOSE OF THE REPORT

- 1.1 To report on the progress made on the Sustainable Procurement & Commissioning Action Plan May 2012 to March 2013.

##### 2. PROPOSED CHANGES TO PROCUREMENT ARRANGEMENTS 2013/14

- 2.1 The Council is considering substantive changes to its current procurement arrangement to improve consistency and compliance with contract regulations. A review of the current Contract Regulations is also proposed. These proposals will seek approval through the Executive and Council shortly. As a result, the Sustainable Procurement and Commissioning Action Plan has not been refreshed for 2013-14.

##### 3. PROGRESS ON SUSTAINABLE PROCUREMENT AND COMMISSIONING ACTION PLAN 2012-13

- 3.1 Appendix 1 sets out the progress made against last year's plan. Highlights include:

###### **Working with Small Businesses**

We continue to work with small businesses and the voluntary and community sectors in Exeter and the surrounding region to increase their involvement in bidding for Council work, in particular involving where possible.

###### **The Green Accord**

The Green Accord continues its position as our prime sustainable procurement tool. This initiative continues to be supported with local and regional business involvement. Notably it continues to receive support from Exeter University's Centre for Business and Climate Solutions through their funded project to drive the Green Accord through company supply chains by providing free training to companies on how to achieve this accreditation. The Green Accord has also now been officially adopted and published as a desired sustainable accreditation mark for construction companies and their supply chains working for Bristol City Council.

###### **Collaborating with Procurement Services across Devon**

The Council continues to work with the Devon Procurement Partnership (DPP) which is comprised of all public procurement bodies in Devon including local authorities, emergency services and academic institutions. It continues to seek to develop best practice in terms of procurement and initiates collaborative procurements for the benefit of its members. This year, there has been a drive to investigate how public authorities can promote the Government-backed Green Deal and exploit Energy Company Obligation (ECO) funding opportunities, primarily to tackle fuel poverty issues in the region.

The Council also continues to contribute to the Heads of Procurement Group (or HOPS). This strategic group was established to meet the specific challenges faced by local authorities in Devon. This group comprises procurement leads from Devon County Council, Torbay, Plymouth and Exeter, together with the chair and deputy chair of the DPP. Exeter's involvement remains particularly beneficial as it recognised that it can ensure that the City's unique contribution comes from being the only urban Devon district.

#### **4. RECOMMENDED**

- 4.1 That Scrutiny Committee - Resources notes the progress made on the Sustainable Procurement and Commissioning Action Plan in 2012/13.

#### ASSISTANT DIRECTOR HOUSING AND CONTRACTS

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

None

**SUSTAINABLE PROCUREMENT & COMMISSIONING ACTION PLAN  
MAY 2012 TO MARCH 2013**

<b>TASK</b>	<b>COMMENT AND TARGETS</b>
<b>SUSTAINABILITY</b>	
Review the Sustainable procurement and Commissioning Strategy 2009-2012	Deferred pending corporate review of procurement
Review improvements identified in the Environmental Sustainability Audit as they relate to procurement in order to ensure they better address social, environmental and economic issues.	Deferred pending corporate review of procurement
Set in place an Energy Management Function from existing resources to identify opportunities to deliver better sustainability through procurement that involves better cooperation and coordination with suppliers to jointly deliver carbon reduction measures	Staff have been identified to undertake Energy Management and work is progressing but formal resolution of the function within the council's structure is still in progress.
Continue to drive and seek internal capacity of awareness and use of sustainability in procurement activity by extending the Green Accord to further Council supply chains, including the embedding of equality and diversity within the awarding of contracts and compliance monitoring.	Whilst part achieved in the past; there is an ongoing need to extend Green Accord accreditation to deliver reduced carbon. The initiative proceeds particularly supported by Exeter University
Achieve level 5 across all categories in the Sustainable Procurement Flexible Framework.	Substantively achieved; independently verified by Zero 2050, but some further categories still to consolidate but will be subject to the proposals as in 2.1 of report.
<b>PROCUREMENT</b>	
Review how procurement and tendering is operated across the council. Seek to centralise procurement, tendering and purchasing processes to bring more probity, consistency, control and transparency in these processes throughout the council. Consider how a corporately centred function would be better placed to deliver consistent working practices and tighter controls in terms of whenever services and goods are to be either purchased or procured for the council.	The corporate review of procurement will address this
Identify areas of existing procurement procedures that need to be improved and implement changes to comply with legislation and good practice	As above
Review financial competitive qualification levels in Contract Regulations and alter as required to deliver greater consistency in their application across the council and so more tighter control of how competitive procurement is utilised	As above
As an extension of the above, review the existing project value categories that suppliers can apply for and look to simplify.	Presently lists are up to £75k, £75k to £250k, £250k to £750k, £750k to £1m, over £1m.  Any changes to levels will be made when the existing contract regulations are reviewed and approved by way of the further report as detailed in 2.1 of this report.
Review and set in place new select lists of Construction companies, material suppliers, consultants, asbestos analysis and removal companies along with electrical and mechanical services companies.	The corporate review of procurement will address this

<b>TASK</b>	<b>COMMENT AND TARGETS</b>
In tandem with the above combine the building and engineering approved lists into a consolidated list to provide greater consistency and clarity and seek to extend in partnership with other districts and stakeholders.	As above
Review to further develop and promote guidance on involving users in the procurement process working with them to provide training and improved awareness on their role in the procurement and commissioning process such as the better evaluation tenders in terms of cost and quality.	As above
Review and set up reporting feedback processes to ensure procurement and commissioning processes are developed and based on users needs.	As above
Further develop procurement good practice guide and toolkit and to disseminate procurement advice, guidance and gateway reviews to client officers acting as contract administrators for strategic projects	As above
<b>e-PROCUREMENT</b>	
Review opportunities for integration of all the Council's e-procurement solutions with the corporate financial systems to streamline the procurement process and maximise transactional savings.	As above
Ensure all sourcing and routine procurement activity across the Council is undertaken electronically as far as is possible.	As above
Work with Devon Procurement Partnership (DPP) and SWRIEP to identify opportunities to share expertise and maximise competitive advantage.	Collaborative procurements have been undertaken on diverse contracts such as recovery of abandoned vehicles and stair lift installations. It is important that these partnerships focus on driving opportunities and benefits that can be specifically exploited by Exeter City Council.
Work with Devon Procurement Partnership to particularly review and prioritise the drive for greater cooperation in the wider use of e procurement facilities in Devon such that the use of existing available information technology software is better utilised to deliver savings in the cost of administrative procurement processes.	The future direction of working with DPP will evolve if the substantive changes to procurement as referred to in 2.1 of this report are approved.
<b>EQUAL OPPORTUNITIES</b>	
As part of the review to simplify existing project value categories that suppliers can apply for as detailed under PROCUREMENT above, a lower level of project value will be set, at under £10,000. In this category less stringent qualifications will be set to encourage and provide better opportunity for small business, that being those with less than 5 employees, to win work from the council	Will now be subject of a further report to committee as detailed in 2.1 of this report.
Review the take up of contract opportunities by Small and Medium Enterprises, Black Minority Ethnic, Disabled and Women only organisations	As yet contracts are not sufficiently representative of the demography and development of joint approach with other authorities in Devon will be considered
Review the need to further improve the 'Selling to the Council' web pages so better aimed to encourage local businesses and assist SME involvement in council tenders in accordance with the Glover Report recommendations.	Further improvements are likely to evolve following support for the proposed substantive changes to procurement as detailed in 2.1 of this report.

**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - RESOURCES**  
**19 JUNE 2013**

**MEMBERS' ALLOWANCES 2012/13**

**1 PURPOSE OF REPORT**

- 1.1 To report the allowances paid to Elected Members and Co-opted Members in 2012/13.

**2 BACKGROUND**

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

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

- 2.2 In addition, an expenses allowance of £4,430 per annum was paid to the Lord Mayor and £1,108 per annum to the Deputy Lord Mayor to be used for additional expenses during their year in office.
- 2.3 The allowances and expenses paid to Members in 2012/13 are set out in the Appendix attached.

**3 RECOMMENDED**

- 3.1 That Scrutiny – Resources Committee note the allowances paid to Members in 2012/13.

**CORPORATE MANAGER DEMOCRATIC AND CIVIC SUPPORT**

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

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

None

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Title	Initials	Surname	Basic Allowance	Special Allowance	Broadband	Carers	Expenses
CLLR	J	MORRISH	405	202	8		
CLLR	PJ	BROCK	405		8		
CLLR	PW	EDWARDS	4430	13290	90		46
CLLR	GN	SHELDON	4430	6645	90		
CLLR	YAC	HENSON	4430	2215	90		274
CLLR	SM	HOBDEN	405		8		
CLLR	N	SHIEL	4430	3882	90		
CLLR	RA	BRANSTON	4430				15
CLLR	JW	WINTERBOTTOM	4430		90		
CLLR	RC	LYONS	3989		75		
CLLR	SR	BROCK	4430		83		31
CLLR	M	CHOULES	4430		90		
CLLR	RG	RUFFLE	4430		90		
CLLR	KJ	MITCHELL	4430	548	90		
CLLR	AA	FULLAM	4430	2215	90		
CLLR	RC	NEWBY	4430	4061	90		
CLLR	RM	HANNAFORD	4430	6645			
CLLR	IJ	MARTIN	4430	6645	90		156
CLLR	NS	COLE	405	405	8		
CLLR	M	BALDWIN	4430	4430	90		164
CLLR	LS	ROBSON	4430		90		
CLLR	AV	NEWCOMBE	405				
CLLR	GJ	PROWSE		971			
CLLR	C	THOMPSON	405		8		
CLLR	JA	TAGHISSIAN	405		8		
CLLR	AJ	WARDLE	4430		90		
CLLR	AJ	STONE	405				

Title	Initials	Surname	Basic Allowance	Special Allowance	Broadband	Carers	Expenses
MR	AE	MIMMACK	466	466			
CLLR	M	MACDONALD	4430	1292	90		
CLLR	TV	PAYNE	4430		90		
CLLR	H	MORRIS	4430		15		
CLLR	LW	MOTTRAM	4430		90		
CLLR	TNC	CROW	4430	3892	90	9	
CLLR	RH	SUTTON	4430	6645	90		197
CLLR	RD	SPACKMAN	4430		90		
CLLR	MR	CLARK	4430		90		
CLLR	PMJ	BIALYK	4430	4430	90		
CLLR	PD	BULL	4430				
CLLR	GM	TIPPINS	4430		90		
CLLR	DJ	HENSON	4430	340			
CLLR	RC	DENHAM	4430	6645	90		90
CLLR	C	DAWSON	4430		90		
CLLR	S	LAWS	3989		75		
CLLR	S	BOWKETT	3989		75		
CLLR	K	OWEN	3989	1012	75		
CLLR	R	CREW	3989		75		
CLLR	OAD	PEARSON	3989		75		
CLLR	JJ	DONOVAN	3989				
CLLR	A	LEADBETTER	3989				