

Executive – 13 March 2013

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Mrs Herbert, Hayward, Mrs Stock-Williams
and Mrs Warmington

Officers: Shirlene Adam (Strategic Director), Paul Harding (Performance and Client Lead), Dan Webb (Performance Lead), Tracey Healy (Principal Accountant), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Horsley and A Wedderkopp.

(The meeting commenced at 6.15 pm.)

18. Apology

Councillor Edwards.

19. Minutes

The minutes of the meeting of the Executive held on 6 February 2013, copies of which had been circulated, were taken as read and were signed.

20. Accounts Receivable – Write-offs

Considered report previously circulated, which sought approval for the write-off of a number of irrecoverable sundry debts which had an individual value greater than £10,000.

Sundry debtors' invoices were raised by a number of sections within the Council and were used to collect income for a variety of Council services.

In accordance with good financial management principles the Council had made a provision for bad debts. This provision recognised that a proportion of the authority's debts would prove irrecoverable due to circumstances such as being unable to trace the debtor, debtor insolvency or where debtor had died with an insufficient estate.

The Council's Financial Regulations required that irrecoverable sundry debts, with an individual value of over £10,000 must be submitted to the Executive for approval.

Although any debt that was written off could subsequently be re-raised should circumstances change, it had been concluded that there was no further practicable recovery action available to the Council for the recovery of the four outstanding debts totalling £81,217.14 referred to in the report.

In the circumstances, the debts had been identified as irrecoverable and were recommended for write-off.

Further reported that this issue had also been considered by the Corporate Scrutiny Committee at its meeting on 21 February 2013. Members had raised a number of particular points which were set out in the report together with appropriate responses for the information of the Executive.

Resolved that the four sundry debt accounts with a combined value of £81,217.14, as detailed in the report, be written-off.

21. **Use of Housing and Planning Delivery Grant to provide a staffing resource to support the implementation of the Community Infrastructure Levy**

Considered report previously circulated, concerning the proposed provision of a staffing resource to support the implementation of the Community Infrastructure Levy (CIL).

The Council needed to introduce the CIL if it was to maximise opportunities to fund the strategic infrastructure necessary to support Taunton Deane's growth in the years ahead.

The draft charging schedule was currently being consulted upon and it was hoped to introduce the levy from September 2013.

The introduction of CIL would bring with it a range of tasks which would need additional resource to administer the levy.

It was therefore proposed to appoint a Community Infrastructure Levy Officer to administer the CIL process, including calculation, billing, collection and monitoring. Although the post would need to be evaluated, the indicative grade would be F (£22,958 - £26,276) which equated to £29,200 with on costs for 2013/2014 at the bottom of the scale.

Further reported that the CIL Regulations allowed the charging authority to top-slice five percent of the levy for administration. Therefore, the full cost of this post would ultimately be funded through CIL.

However, whilst it would take some time to generate the necessary income, the need for the post would be generated from implementation and it was therefore suggested that Housing and Planning Delivery Grant (HPDG) money was used to fund the post for a two year period.

The proposal was considered by the Corporate Scrutiny Committee on 21 February 2013 and issues raised around the benefits of a fixed term contract would be considered in relation to the recruitment of this post and any backfill arrangements.

Resolved that the allocation of £58,400 from the Housing and Planning Delivery Grant Earmarked Reserve be approved, to fund the Community Infrastructure Levy Officer post for two years.

22. **Financial and Performance Monitoring – Quarter 3 2012/2013**

Considered report previously circulated, concerning the update on the financial position and the performance of the Council to the end of Quarter 3 of 2012/2013 (as at 31 December 2012).

The detailed 2012/2013 financial position for Quarter 3 was set out in the report although a high level summary was also included in the Scorecard. The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets was an important part of the overall performance management framework.

The current forecast outturn for the Council's General Fund services was an under spend of £346,000 for the financial year 2012/2013. The significant variances to the forecast in this quarter were:-

- a) **Car Parking Income:** Under recovery of income of £470,000;
- b) **Deane DLO:** A potential shortfall of £101,000;
- c) **Council Tax Benefit:** Over recovery by £68,000;
- d) **Housing Benefit Subsidy:** A subsidy gain of £317,000;
- e) **Somerset Waste Partnership:** Under spend of £107,000.
- f) **Vacancy Factor and Pay Award:** A saving of £24,000;
- g) **Interest Payable:** In Quarter 2 an under spend of £226,000 was forecast. However this budget had been transferred to provide part of the funding for the new Business Growth Incentive Grant scheme;
- h) **Interest Receivable:** The forecast surplus from interest income had reduced £185,000. This reflected a transfer of £74,000 to the Business Growth Incentive Grant scheme.

Details as to why these variances had occurred were submitted.

Reported that the General Fund Reserves balance at the start of the year was £3,337,000. Following approved budget allocations during 2012/2013 the budgeted balance at the end of the current financial year was £3,138,000.

If the current trend continued on all the budgets above and the Council took no further corrective action in the year, the potential under spend of £346,000 would be transferred to this reserve, increasing the potential balance to £3,484,000 by the end of the financial year.

Noted that budgets and forecasts were based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year was estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process, risks were identified which could affect the financial projections but the likelihood and/or amount were uncertain. Details of a number of risks identified during the Quarter 3 process were provided.

Further reported that the current forecast outturn for the Council's Housing Revenue Account (HRA) was an under spend of £43,000 for the current financial year. Details of the forecast variances were submitted.

As advised to Members in previous Financial Performance reports, there were significant differences between the budgets and forecasts for interest payable and interest income, resulting largely from the better than budgeted interest costs associated with the Self-financing Settlement debt taken out in March 2012. A net surplus of £818,000 continued to be forecast and it was recommended that this sum be transferred to the Social Housing Development Fund, to contribute to the financing of housing development projects.

The HRA Reserves "working balance" at the start of the year was £1,355,000. Following approved budget allocations during 2012/2013 the budgeted balance at the end of the current financial year was £1,883,000. With the above under spend the reserves had the potential to increase to £1,926,000 by the end of the financial year. This would provide a relatively modest headroom above the recommended minimum working balance of £1,800,000 as set out in the HRA Business Plan.

The Earmarked Reserves balance at the start of the year was £7,071,000. This included £6,597,000 for General Fund and £475,000 for the HRA.

The forecast year end outturn position had changed this quarter, from a surplus in Quarter 2 to a deficit in Quarter 3. The DLO Manager was currently reporting a potential under-recovery against budget of £101,000, based on a best estimate at this stage.

Noted that there were no variances to the Deane Helpline Trading Account to report.

The current forecast outturn for the Council's General Fund Capital Programme was Net Expenditure of £5,200,000, compared to the budget of £7,424,000. The forecast under spend is therefore £2,224,000 (30%) for the financial year. Of this amount, £2,176,000 related to slippage on projects into 2013/2014, with an under spend on project budgets of £48,000.

Explanations for variances were provided in respect of the following capital projects. Recommendations to carry forward the budgets of certain projects were also set out below:-

- a) Climate Change Initiatives – It was recommended that £40,000 of this budget be carried forward;
- b) PC Refresh Project - It was recommended that £15,000 of this budget be carried forward;
- c) ICT Infrastructure Maintenance - It was recommended that the £35,000 budget be carried forward;
- d) Members IT Equipment;
- e) DLO System;
- f) Project Taunton – Longrun Meadow Bridge C;
- g) Project Taunton – Firepool;
- h) Project Taunton – Castle Green;
- i) Project Taunton – Urban Growth;

- j) Project Taunton – Coal Orchard - It was recommended that the £10,000 budget be carried forward;
- k) Crematorium Mercury Abatement;
- l) Waste Containers;
- m) Grants to Registered Social Landlords – It was recommended that the £414,000 budget be carried forward;
- n) Landlord Accreditation Scheme;
- o) Disabled Facilities Grants – Private Sector;
- p) Acolaid Upgrade;
- q) Paul Street (Orchard) Car Park, Taunton; and
- r) Wellington Pavilion.




Noted that Budget Carry Forwards totalling £514,000 on the General Fund programme had been recommended.

The current forecast outturn for the Council's Housing Revenue Account Capital Programme was net expenditure of £4,958,000 against a budget of £5,500,000. The forecast under spend was therefore £542,000.

An explanation for the reported variances in the capital programme were reported and budget virements totalling £1,425,000 were identified.

The main areas of risk and uncertainty in the Housing Revenue Account Capital Programme were detailed in the report and related to Kitchens, Bathrooms, Windows, Heating, Doors, Fire Safety Works in Communal Areas, Cladding, Fascias and Soffits, Air Source Heat Pumps, Door Entry Systems, Soundproofing, Disability Discrimination Act Work, Asbestos Work, Tenant Improvements and Community Alarms.

Analysis of the overall performance of the Council had revealed that 63% of all performance measures were on target. This was a similar position compared to the previous quarter (Quarter 2 was 60%) even though there was a slight increase in 'Red' alerts (six this quarter compared to three at Quarter 2). A summary / overview of the Quarter 3 scorecard was shown in the table below:-

Section	No. of measures	 Green	 Amber	 Red	N/A	Trend (from last quarter)
1) Corporate Strategy Aims	18	13 (72%)	4 (22%)		1 (6%)	↔
2) Service Delivery	15	11 (73%)	2 (13%)	2 (13%)		↑
3) Managing Finances	12	7 (58%)	2 (17%)	3 (25%)		↔
4) Key Projects	7	5 (71%)	2 (29%)			↑
5) Key Partnerships	8	4 (50%)	2 (25%)	1 (12%)	1 (12%)	↓
6) People	6	2 (33%)	3 (50%)		1 (17%)	↔

7) Corporate Management	10	6 (60%)	4 (40%)			↑
TOTALS	76	48 (63%)	19 (25%)	6 (8%)	3 (4%)	↔

KEY:

- ↑ = Improving (ie more Green, less Amber &/or Red alerts)
- ↓ = Worsening (ie less Green, more Amber &/or Red)
- ↔ = No change

The current corporate performance scorecard had been introduced in 2009/2010 and had remained largely unchanged since then. Now that the new Corporate Business Plan had been approved, the Corporate Management Team would conduct a full review of the scorecard and recommended changes would then be discussed with Members in workshops early in Quarter 1 (2013/2014).

The performance report had been considered by the Corporate Scrutiny Committee at its meeting on 21 February 2013 and its comments were reported for the information of the Executive.

During the discussion of this item reference was made to the Key Projects listed in Section 4 of the scorecard. Members enquired when reports on some of these projects, particularly Flood Alleviation Solutions, were likely to come forward.

The Chairman asked that this matter be referred back with the request that the items are added to the Forward Plan of both Scrutiny and the Executive at the earliest opportunity.

Resolved that:-

- (1) The report be noted;
- (2) The proposed budget virements set out in the Appendix to these minutes be noted and supported;
- (3) Full Council be recommended to approve the following carry forwards:-
 - (i) Climate Change Initiatives – £40,000;
 - (ii) PC Refresh Project – £15,000;
 - (iii) ICT Infrastructure Maintenance – £35,000;
 - (iv) Project Taunton – Coal Orchard – £10,000; and
 - (v) Grants to Registered Social Landlords – £414,000.

23. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 7.01 pm.)

BUDGET VIREMENTS FOR APPROVAL

APPENDIX

#	Amount £	Fund	From	To	Explanation
			Heading	Heading	
1	60,000	GF	Legal Services	Earmarked Reserves	Transfer savings in Legal Services to Earmarked Reserves, to fund fixed term staff costs and court costs in 2013/14 to pursue recoverable outstanding debts.
2	110,000	HRA	Interest Payable	Interest Receivable	Allocated surplus interest savings to offset shortfall in interest receivable budget.
3	818,000	HRA	Interest Payable & Receivable	Social Housing Development Fund	Allocate surplus interest savings to the Social Housing Development Fund to provide additional resources to finance housing development projects.
988,000			Total Revenue Budget Virements		

#	Amount £	Fund	From	To	Explanation
			Service / Heading	Service / Heading	
1	180,000	HRA		Kitchens	See HRA Capital Programme Variances section in the main body of the report for further details. The transfers reflect the current estimates of individual elements within the overall programme of capital maintenance and improvement works. Allocate surplus interest savings to the Social Housing Development Fund to provide additional resources to finance housing development projects.
2	220,000	HRA		Bathrooms	
3	250,000	HRA		Windows	
4	120,000	HRA		Doors	
5	25,000	HRA		Fire Safety Works in Communal Areas	
6	375,000	HRA		Air Source Heat Pumps	
7	75,000	HRA		Door Entry Systems	
8	20,000	HRA		DDA Works	
9	135,000	HRA		Asbestos removal	
10	25,000	HRA		Community Alarms	
1,425,000			Sub-total – Capital Virements		
11	620,000	HRA	Heating Systems		
12	500,000	HRA	Cladding		
13	285,000	HRA	Fascias and Soffits		
14	18,000	HRA	Soundproofing		
15	2,000	HRA	Tenants Improvements		
1,425,000			Sub-total – Capital Virements		