

City Chambers
DUNDEE
DD1 3BY

4th November, 2011

Dear Sir or Madam

You are requested to attend a MEETING of the **POLICY AND RESOURCES COMMITTEE** to be held in the City Chambers, City Square, Dundee on Monday, 14th November, 2011 following the meetings of the City Council, Environment and Housing Committees called for 6.00 pm.

Yours faithfully

DAVID K DORWARD

Chief Executive

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which might be perceived as influencing your opinion/vote on any matter.

AGENDA OF BUSINESS

1 REVENUE MONITORING

(Report No 493-2011 enclosed).

2 CAPITAL MONITORING

(Report No 477-2011 enclosed).

3 DUNDEE COMMUNITY REGENERATION FUND 2011/2012

(Report No 498-2011 enclosed).

4 VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS

(Report No 507-2011 enclosed).

5 VOLUNTARY EARLY RETIREMENT/VOLUNTARY REDUNDANCY SCHEME (AN180-2011)

Reference is made to Article VIII of the minute of meeting of the Policy and Resources Committee of 26th April, 2010, wherein approval was given to Report No 227-2010 "Dundee City Council - Voluntary Early Retirement/Voluntary Redundancy Scheme". The scheme was open to applications and where savings could be achieved, provided for employees meeting defined criteria to receive up to five added years pensionable service on a sliding scale linked to years of service with the Council. Applications had to be made by 31st August, 2010.

Reference is also made to Article VIII of the Recess Sub-Committee of 1st August, 2011, wherein approval was given to Agenda Note AN120-2011 "Voluntary Early Retirement/Voluntary Redundancy Scheme". In order to facilitate the implementation of the Changing for the Future projects and in other appropriate circumstances, the Chief Executive was given delegated authority to consult relevant heads of departments and apply the provisions in Report No 227-2010 as an incentive, in order to facilitate departmental reviews, restructurings, rationalisations and efficiency savings, etc.

Preparatory work has begun on proposals for the 2012/2013 Revenue Budget and whilst individual Council funding allocations from the Scottish Government will not be notified until early December there are clear indications that further savings will be required. In view of the success of the original scheme in contributing towards the Council's efficiency savings for 2011/2012, it is considered that it would be beneficial to the current Revenue Budget preparations to re-open the scheme to applications from interested employees who meet the criteria subject to the usual decision making process whereby the Chief Executive, Director of Finance and the Head of Personnel consider applications based on cost and service provision.

It is therefore recommended that approval is given to the reintroduction of the Voluntary Early Retirement/Voluntary Redundancy Scheme with up to five added years pensionable service as detailed in Report No 227-2010 "Dundee City Council - Voluntary Early Retirement/Voluntary Redundancy Scheme". The closing date for applications will be 14th December, 2011.

It should be noted that as a result of the abolition of the default retirement age, employees who reached the age of 65 on or after 1st October, 2011 will be eligible to apply for voluntary redundancy and statutory redundancy pay, and in accordance with the Regulations, if they are members of the Local Government Pension Scheme, they will also be entitled to receive their pensions with no added years.

The Committee may resolve under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 6 and 9 of Part I of Schedule 7A of the Act.

6 RELIEF OF NON-DOMESTIC RATES ON THE GROUNDS OF HARDSHIP (HARDSHIP RELIEF)

REPORT TO: POLICY & RESOURCES COMMITTEE - 14 NOVEMBER 2011

REPORT ON: REVENUE MONITORING 2011/2012

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 493-2011

1 PURPOSE OF REPORT

1.1 To provide Elected Members with an analysis of the 2011/2012 Projected Revenue Outturn as at 30 September 2011 monitored against the adjusted 2011/2012 Revenue Budget.

2 RECOMMENDATIONS

2.1 It is recommended that Elected Members:

- a note that the overall General Fund 2011/2012 Projected Revenue Outturn as at 30 September 2011 shows an overspend of £5,000 against the adjusted 2011/2012 Revenue Budget.
- b note that the Housing Revenue Account as at 30 September 2011 is projecting a breakeven position against the adjusted HRA 2011/2012 Revenue Budget.
- c agree that the Director of Finance will take every reasonable action to ensure that the 2011/2012 Revenue expenditure is below or in line with the adjusted Revenue Budget.
- d instruct the Director of Finance in conjunction with all Chief Officers of the Council to continue to monitor the Council's 2011/2012 Projected Revenue Outturn.

3 FINANCIAL IMPLICATIONS (see Appendix A)

3.1 The overall projected 2011/2012 General Fund Revenue outturn position for the City Council shows an overspend of £5,000 based on the financial information available at 30 September 2011. A system of perpetual detailed monitoring will continue to take place up to 31 March 2012 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2011/2012 Revenue Budget.

3.2 The Housing Revenue Account outturn position for 2011/2012 is currently projecting a breakeven position based on the financial information available for the period to 30 September 2011. A system of perpetual detailed monitoring will continue to take place up to 31 March 2011 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2010/2011 HRA Revenue Budget.

4 BACKGROUND

4.1 Following approval of the Council's 2011/2012 Revenue Budget by the Special Policy and Resources Committee on 10 February 2011 this report is now submitted in order to monitor the 2011/2012 Projected Revenue Outturn position as at 30 September 2011, against the adjusted 2011/2012 Revenue Budget.

4.2 This report provides a detailed breakdown of departmental revenue monitoring information along with explanations of material variances against adjusted budgets. Where departments are projecting a significant under or overspend against adjusted budget, additional details have been provided. Where departmental expenditure is on target and no material variances are anticipated, additional information has not been provided.

5 RISK ASSESSMENT

5.1 In preparing the Council's 2011/2012 Revenue Budget, the Director of Finance considered the key strategic, operational and financial risks faced by the Council over this period (please refer to report 73-2011, approved by Special Policy & Resources Committee on 10 February 2011, for further details). In order to alleviate the impact these risks may have should they occur, a number of general risk mitigation factors are utilised by the Council. These include the:

- system of perpetual detailed monthly budget monitoring carried out by departments
- general contingency provision set aside to meet any unforeseen expenditure
- level of general fund balances available to meet any unforeseen expenditure
- level of other cash backed reserves available to meet any unforeseen expenditure
- possibility of identifying further budget savings and efficiencies during the year, if required.

5.2 The key risks in 2011/2012 have now been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. These risks have been ranked as either zero, low, medium or high. Details of this risk assessment, together with other relevant information including any proposed actions taken by the Council to mitigate these risks, are included in Appendix D to this report.

6 GENERAL FUND SERVICES - MONITORING POSITION AS AT 30 SEPTEMBER 2011

6.1 The forecast position as at 30 September 2011 for General Fund services is summarised below:

	<u>Adjusted</u> <u>Budget</u> <u>2011/12</u> <u>£000</u>	<u>Forecast</u> <u>2011/12</u> <u>£000</u>	<u>Variance</u> <u>£000</u>
Total Expenditure	357,769	358,574	805
Total Income	<u>(357,769)</u>	<u>(358,569)</u>	<u>(800)</u>
Forecast Overspend	<u> -</u>	<u> 5</u>	<u> 5</u>

The forecast position as at 30 September 2011 is shown in more detail in the appendices to this report, as follows:

Appendix A shows the variances between budget and projected outturn for each department/service of the Council.

Appendix B provides detailed explanations for the variances against budget that are shown in Appendix A.

Appendix C lists the budget adjustments that have been undertaken to date. These adjustments include funding transfers and the transfer of budgets between budget headings within the Revenue Budget, allocations from Contingencies and also unspent budgets that have been carried forward from the previous financial year.

Appendix D lists the key strategic, operational and financial risks being faced by the Council. These risks have been assessed and ranked accordingly both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. Any changes to the assessment from the previous reporting period, together with any additional comments included, are highlighted in bold type.

- 6.2 The following paragraphs summarise the main areas of variance by department along with appropriate explanations. It should be emphasised that this report identifies projections based on the first six months of the financial year to 30 September 2011. The figures are therefore indicative at this stage and are used by the Chief Executive, Director of Finance and Chief Officers to identify variances against budget and enable corrective action to be taken as appropriate.

Departmental Commentary

6.3 Social Work (£1,961,000 overspend)

The majority of this overspend reflects cost pressures surrounding Children Services, where payments for family placements are expected to be significantly greater than budgeted due to the increased number of children requiring permanent substitute care away from their birth parents. In addition, the department are projecting increased expenditure on third party payments for Adult Care due to further continued cost pressures in this area. These variances will be partly offset by savings that are anticipated due to slippage in staff costs across the department and various additional income projected to be received by the department.

6.4 City Development (£223,000 overspend)

In Building Quality, income for building warrant fees, planning applications and property enquiries continues to be significantly lower than budgeted, reflecting a reduction in these activities due to the ongoing economic climate. In Off Street Car Parks, the level of car parking income is also projected to be lower than budgeted reflecting current usage of the Council's off street car parking facilities. These variances are partly offset by projected savings in staff costs due to unfilled vacancies across the department together with lower than anticipated supplies and services expenditure on various budget heads.

6.5 Leisure & Communities (£72,000 underspend)

This variance reflects projected savings in staff costs due mainly to an unfilled vacant post together with lower than anticipated expenditure on property costs following a prior year refund for non-domestic rates.

6.6 Finance General (£100,000 underspend)

The above variance reflects savings in staff costs that are anticipated due to a number of unfilled vacancies within the department. This will be partly offset by a projected overspend in supplies and services expenditure together with an estimated shortfall in various income streams received by the department.

6.7 Miscellaneous Services: Chief Executive (£157,000 underspend)

This variance mainly reflects grant income received from Improvement Service not previously assumed in the agreed budgets for Entitlement Cards. This is partly offset by a loss of income contributed from other local authorities for services provided by Employment Unit.

6.8 Finance Revenues (£250,000 underspend)

This variance reflects projected savings in staff costs mainly due to staff slippage together with various additional income anticipated by the department.

6.9 Capital Financing Costs / IORB (£800,000 underspend)

The above reflects a projected saving due to lower than anticipated interest rates together with a reduction in required level of borrowing due to slippage on expenditure in 2011/12 capital programme.

6.9 Council Tax Income (£800,000 additional income)

The above reflects additional income projected to be received this year over and above budgeted level of council tax. This is due to an increase in the total Council Tax billed as a result of an increase in the number and value of chargeable properties.

7 **HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 30 SEPTEMBER 2011**

7.1 The forecast position as at 30 September 2011 for the HRA is summarised below:

	<u>Adjusted Budget 2011/12 £000</u>	<u>Forecast 2011/12 £000</u>	<u>Variance £000</u>
Total Expenditure	51,859	52,351	492
Total Income	<u>(51,859)</u>	<u>(52,351)</u>	<u>(492)</u>
Forecast Position	_____ -	_____ -	_____ -

7.2 Expenditure on relets is projected to be greater than budgeted due to increased level of work being carried out, together with increased security costs associated with properties within the demolition programme. These variances are projected to be offset by additional rental income that is anticipated to be received. The overall impact is a breakeven position against the adjusted HRA 2011/2012 Revenue Budget.

8 **CHANGING FOR THE FUTURE**

The Policy & Resources Committee on 23 August 2010 approved report 441-2010 on Changing for the Future, including a schedule of individual reviews to be undertaken. A number of these reviews have now been completed and reported to the Changing for the Future Board. The revenue budget savings identified in these completed reviews total around £8.5m in a full financial year. The majority of these savings (e.g. from the Voluntary Early Retirement / Voluntary Redundancy Schemes) have already been reflected in the approved 2011/2012 Revenue Budget. Where the savings have not already been reflected in the approved 2011/2012 Revenue Budget, they are reflected in the 2011/2012 monthly revenue monitoring where appropriate and will be incorporated into the Provisional 2012/2013 Revenue Budget in due course.

9 **CONCLUSION**

As in previous years, the Director of Finance will work with all Chief Officers of the Council to monitor the Council's 2011/2012 Revenue Budget and, through prudent budget management, take every reasonable action to achieve an outturn position below or in line with the approved 2011/2012 Revenue Budget.

10 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. Details of the risk assessment are included in Appendix D to this report.

There are no major issues.

11 **CONSULTATIONS**

The Chief Executive, Depute Chief Executive (Support Services) and all other Chief Officers have been consulted in the calculation of projected outturns included in this report, insofar as they apply to their own individual department.

12 **BACKGROUND PAPERS**

None.

MARJORY M STEWART
DIRECTOR OF FINANCE

03 NOVEMBER 2011

DUNDEE CITY COUNCIL

2011/2012 REVENUE OUTFURN MONITORING

Appendix A

PERIOD 1 APRIL 2011 - 30 SEPTEMBER 2011

Statement analysing 2011/2012 Projected Revenue Outturn to Budget (Capital Charges, Central Support & Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	Approved Budget £000	Budget Adjustments £000	Adjusted Budget £000	Forecast £000	Worse Than Budget £000	Better Than Budget £000	Net Variance £000	Notes	Previous Months Projected Variance £000
General Fund Departments									
Social Work	86,224	591	86,815	88,776	1,961		1,961	1	1,961
City Development	12,722	(133)	12,589	12,812	223		223	2	223
Education	121,519	(73)	121,446	121,446					
Waste Management	15,065	254	15,319	15,319					
Environmental Health & Trading Stds	2,884		2,884	2,884					
Leisure & Communities	21,532	5	21,537	21,465		(72)	(72)	3	(33)
Central Support Services:									
Chief Executive	1,497	111	1,608	1,608					
Personnel	1,141	96	1,237	1,237					
Information Technology	4,919	727	5,646	5,646					
Support Services - Admin/Legal	3,228	(23)	3,205	3,205					
- Architects	(628)		(628)	(628)					
Finance General	3,353	(7)	3,346	3,246		(100)	(100)	4	(100)
Miscellaneous Services:									
Chief Executive	7,162		7,162	7,005		(157)	(157)	5	(157)
Support Services	68		68	68					
Finance Revenues	3,396	(134)	3,262	3,012		(250)	(250)	6	(250)
Dundee CAB	111		111	111					
Contribution to Employment Unit	85		85	85					
Other Housing	3,348	(53)	3,295	3,295					
DCS - Land Services Client	1,951		1,951	1,951					
Supporting People	12,279		12,279	12,279					
	301,856	1,361	303,217	304,822	2,184	(579)	1,605		1,644
Miscellaneous Income	(2,567)		(2,567)	(2,567)					
DCS - Contracting Activities and Land Services	(388)	(21)	(409)	(409)					
Capital Financing Costs / Interest on Revenue Balances	24,805	67	24,872	24,072		(800)	(800)	7	(800)
Contingencies									
General	650	(643)	7	7					
Other	42		42	42					
Electricity Contract	594		594	594					
Discretionary NDR Relief	147		147	147					
Supplementary Superannuation Costs	1,918	181	2,099	2,099					
	327,057	945	328,002	328,807	2,184	(1,379)	805		844
Joint Boards									
Tayside Joint Police Board	16,223		16,223	16,223					
Tayside Fire & Rescue Board	12,553		12,553	12,553					
Tayside Valuation Joint Board	991		991	991					
	356,824	945	357,769	358,574	2,184	(1,379)	805		844
Sources of Income									
General Revenue Funding / Contribution from NNDR Pool	(300,302)		(300,302)	(300,302)					
Council Tax	(56,522)		(56,522)	(57,322)		(800)	(800)	8	(800)
Use of Balances -									
Committed Balances c/f	0	(760)	(760)	(760)					
Renewal & Repair Fund	0	(185)	(185)	(185)					
	0	0	0	5	2,184	(2,179)	5		44
(Surplus)/Deficit for the year									
	0		0	0			0		0
Housing Revenue Account									
	0		0	0			0	9	0

REASONS FOR 2011/2012 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES

Appendix B

(Excludes Capital Charges, Central Support Services & Office Recharges)

AT 30 SEPTEMBER 2011

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Previous Months Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Projected Variance £000</u>	<u>Breakdown of Previous Months Projected Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>
<u>Social Work</u>	1	1,961	1,961	Departmental	Staff	(250)	(250)	Reflects projected savings mainly due to staff slippage.
					Third Party Payments	811	811	Reflects continuous cost pressures around Adult Care.
				Children	Third Party Payments	1,600	1,600	Increase in number of children requiring permanent substitute care away from their birth parents.
				Older People	Income	(200)	(200)	Reflects clients non-recurring contributions towards residential accommodation in local authority homes.
<u>City Development</u>	2	223	223	Transportation	Staff	(20)	(20)	Staff costs are projected to be underspent due to various unfilled vacancies.
				Property	Staff	(126)	(90)	Staff costs are projected to be underspent due to various unfilled vacancies.
				Building Quality	Staff	(40)	(40)	Staff costs are projected to be underspent due to various unfilled vacancies.
					Income	330	330	Income for building warrants, planning applications and property enquiries is lower than budgeted, reflecting a reduction in these activities due to the current economic climate.
				Mainstream: Economic Development	Supplies & Services	(257)	(257)	Reflects lower than anticipated expenditure on various budget heads.
				City Square	Property	70	70	Reflects projected overspend on health and safety contracts.
<u>Leisure & Communities</u>	3	(72)	(33)	Library, Information & Cultural Services	Property	(36)	0	Reflects prior year refund for non-domestic rates on Camperdown House.
				Business Development & Support Services	Staff	(33)	(33)	Staff costs are projected to be underspent due to an unfilled vacant post and a reduction in expenditure on staff training and development.
				<u>Finance General</u>	4	(100)	(100)	General
	Supplies & Services	36	27					Reflects projected overspend mainly due to legal fees and other miscellaneous supplies and services being greater than anticipated.
	Income	17	17					Income from property enquiries is lower than budgeted, reflecting a reduction in these activities due to the current economic climate.

REASONS FOR 2011/2012 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES

Appendix B

(Excludes Capital Charges, Central Support Services & Office Recharges)

AT 30 SEPTEMBER 2011

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Previous Months Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Projected Variance £000</u>	<u>Breakdown of Previous Months Projected Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>
<u>Miscellaneous Services: Chief Executive</u>	5	(157)	(157)	NEC Project	Income	(145)	(145)	Reflects grant income received from Improvement Service.
				Dundee NEC Office	Income	(67)	(67)	Reflects grant income received from Improvement Service.
				Employment Unit	Income	55	55	Reflects loss of income contributions from other local authorities.
<u>Finance Revenues</u>	6	(250)	(250)	Revenues	Staff	(242)	(208)	Projected underspend mainly due to unfilled vacancies and maternity leave.
					Income	(25)	(25)	Mainly reflects additional commission income received from Scottish Water.
<u>Capital Financing Costs/IORB</u>	7	(800)	(800)	Corporate	Capital Financing Costs/IORB	(800)	(800)	Reflects projected saving on capital financing costs due to lower than anticipated interest rates together with slippage on expenditure in 2011/12 capital programme.
<u>Council Tax</u>	8	(800)	(800)	Corporate	Income	(800)	(800)	Reflects an increase in total Council Tax billed as a result of an increase in the number and value of chargeable properties.
<u>Housing Revenue Account</u>	9	Nil	Nil	Repairs & Relets		259	248	Reflects the level of responsive repairs that are currently being required.
				Lost Rents and Bad Debts		99	84	Mainly this relates to an increase in lost rents as a result of a greater number of void properties and a fall in the level of council sales.
				Stair Lighting		30	25	Mainly reflects increased price of electricity charges.
				Homelessness		65	75	Mainly this is due to an anticipated increase in repairs and maintenance expenditure.
				Rent of Houses		(492)	(471)	Increased rental income mainly due to a higher level of housing stock than budgeted.
				Capital Financing Costs		39	39	Overspend reflects higher than budgeted loan repayments.

Appendix C

<u>General Fund Departments</u>	<u>Alloc From Conts</u> <u>£000</u>	<u>2010/11 Under spends</u> <u>b/fwd</u> <u>£000</u>	<u>Funding T/Fs</u> <u>£000</u>	<u>Alloc from R&R Fund</u> <u>£000</u>	<u>Alloc from Other Bals</u> <u>£000</u>	<u>T/Fs Between Depts</u> <u>£000</u>	<u>Other T/Fs</u> <u>£000</u>	<u>Dept Totals</u> <u>£000</u>
<u>Education</u>								
1. DSM Balances		308						
2. T/f Staff Costs to Information Technology						(98)		
3. T/f Supplementary Supn Costs to General Fund						(181)		
4. T/f Staff Costs to CSS - Admin & Legal						(7)		
5. T/f Staff Costs to Leisure & Communities						(60)		
6. Operating Model Re-design - Review of Health & Safety Function						(35)		
								73
<u>Social Work</u>								
1. Community Equipment Service		85						
2. T/f Staff Costs to Information Technology						(149)		
3. Cont to Dundee Women's Aid Project	17							
4. Violence Against Women Team						53		
5. Closure of Rosebank Care Home	104							
6. Children's Services Cost Pressures	500							
7. Operating Model Re-design - Review of Health & Safety Function						(19)		
								591
<u>City Development</u>								
1. Flood Risk Management		57						
2. T/f Staff Costs to Information Technology						(273)		
3. Dundee House relocation costs				78				
4. T/f Staff Costs to Chief Executive						(89)		
5. T/f Staff Costs to Admin & Legal						(13)		
6. Additional Property Costs for Tayside House				107				
								133
<u>Leisure & Communities</u>								
1. T/f Staff Costs from Finance General						12		
2. Prudential Borrowing - McManus Galleries						(67)		
3. T/f Staff Costs from Education						60		
								5
<u>Waste Management</u>								
1. Various commitments c/fwd		275						
2. Operating Model Re-design - Review of Health & Safety Function						(21)		
								254
<u>CSS - Chief Executive</u>								
1. Contribution to V&A Project	22							
2. T/f Staff Costs from City Development						89		
								111
<u>CSS - Personnel</u>								
1. Operating Model Re-design - Review of Health & Safety Function						96		
								96
<u>CSS - Information Technology</u>								
1. T/f Operations Team from Finance Revenues						145		
2. T/f Staff Costs from City Development						273		
3. T/f Staff Costs from Education						98		
4. T/f Staff Costs from Admin & Legal						62		
5. T/f Staff Costs from Social Work						149		
								727

Appendix C

General Fund Departments	Alloc From Conts £000	2010/11 Under spends b/fwd £000	Funding T/Fs £000	Alloc from R&R Fund £000	Alloc from Other Bals £000	T/Fs Between Depts £000	Other T/Fs £000	Dept Totals £000
CSS - Admin & Legal								
1. T/f Staff Costs from Finance Revenues						19		
2. T/f Staff Costs to Information Technology						(62)		
3. T/f Staff Costs from City Development						13		
4. T/f Staff Costs from Education						7		
								(23)
CSS - Finance General								
1. Computer Audit		5						
2. T/f Staff Costs to Leisure & Communities						(12)		
								(7)
MS - Finance Revenues								
1. T/f Staff Costs to CSS - Admin & Legal						(19)		
2. T/f Operations Team to Information Technology						(145)		
3. Single Persons Discount Review		30						
								(134)
Other Housing								
1. Violence Against Women Team						(53)		
								(53)
DCS - Contracting Activities and Land Services								
1. Operating Model Re-design - Review of Health & Safety Function						(21)		
								(21)
Capital Financing Costs / IORB								
1. Prudential Borrowing - McManus Galleries						67		
								67
General Contingency								
1. T/f to Chief Executive (V&A Cont)	(22)							
2. T/f to Social Work (Dundee Women's Aid)	(17)							
3. T/f to Social Work (Rosebank Care Home)	(104)							
4. T/f to Social Work (Children's Services)	(500)							
								(643)
Supplementary Superannuation								
1. T/f Supplementary Supn Costs from Education						181		
								181
Total Adjustments (General Fund)	0	760	0	185	0	0	0	945

Risks - Revenue	Assessment		Risk Management / Comment
	Original	Revised	
<u>General Inflation</u> General price inflation may be greater than anticipated.	Med	Med	Corporate Procurement strategy in place, including access to nationally tendered contracts for goods and services. In addition, fixed price contracts agreed for major commodities i.e. gas and electricity.
<u>Single Status</u> The provision for the costs associated with implementing Single Status may be insufficient.	Low	Low	Departmental budgets increased to cover incremental progression through the new grades.
<u>Equal Pay Claims</u> A provision may be required for the cost of equal pay claims.	Low	Low	Relatively few cases being taken through the Employment Tribunal process.
<u>Capital Financing Costs</u> Level of interest rates paid will be greater than anticipated.	Low/ Med	Low/ Med	Treasury Mgmt Strategy. Limited exposure to variable rate funding.
<u>Interest on Revenue Balances</u> Level of interest rates will be lower than anticipated.	Med/ High	Med/ High	Treasury Mgmt Strategy. Reduction in income will be offset by lower temporary borrowing costs.
<u>Savings</u> Failure to achieve agreed level of savings & efficiencies.	Low/ Med	Low/ Med	General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure savings targets are met.
<u>Emerging Cost Pressures</u> The possibility of new cost pressures or responsibilities emerging during the course of the financial year.	Low/ Med	Low/ Med	General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure cost pressures are identified early and corrective action can be taken as necessary.
<u>Chargeable income</u> The uncertainty that the level of chargeable income budgeted will be received.	Med/ High	Med/ High	General risk mitigation factors (ref para 5.1), in particular, regular monitoring by departments to ensure any shortfalls are identified as early as possible and corrective action can be taken as necessary.
<u>Council Tax Collection</u> Provision for non-collection of Council Tax (3.2%) may not be adequate.	Low	Low	Provision set takes cognisance of amounts collected for previous financial years. Non-payers subject to established income recovery procedures.

REPORT TO: POLICY & RESOURCES COMMITTEE - 14 NOVEMBER 2011

REPORT ON: CAPITAL EXPENDITURE MONITORING 2011/12

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 477-2011

1 PURPOSE OF REPORT

- 1.1 To appraise Elected Members of the latest position regarding the Council's Capital Expenditure programme for 2011/12.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Expenditure programme for 2011/12.

3 FINANCIAL IMPLICATIONS

- 3.1 This report shows the latest projections on capital projects along with actual spend to 30 September 2011.

	General Services Capital 2011/12 £000	Housing HRA Capital 2011/12 £000
Approved Budget	66,566	29,440
Budget Adjustments	<u>(2,806)</u>	—
Revised Budget	<u>63,760</u>	<u>29,440</u>
Projected Outturn	<u>63,760</u>	<u>25,457</u>
Variance over/(under) Budget	—	<u>(3,983)</u>
Actual Spend to 30 September 2011	<u>21,991</u>	<u>9,850</u>

An explanation of the major variances since the capital plan was approved at Committee is shown in Section 5 of the report. In terms of the percentage of actual capital spend to projected outturn, General Services and Housing HRA Capital as at 30 September 2011 were 34% and 39% respectively, compared with 33% and 30% respectively for the comparable period to 30 September 2010.

4 BACKGROUND

- 4.1 The Special Policy & Resources Committee of 10 February 2011 approved the 2011/12 Capital Budget for General Services (Report 53-2011). The Housing HRA Capital Programme 2011/12 was approved at the Policy & Resources Committee on 24 January 2011 (Report 19-2011). The Housing HRA Capital Budget reflects information contained in Scottish Housing Quality Standard submission.
- 4.2 Local Authorities from 1 April 2004 are required, by Regulation, to comply with the Prudential Code under Part 7 of the Local Government Act 2003. The Capital Budget for 2011/12 is being monitored within the framework of the Prudential Code.

- 4.3 The Capital Monitoring report provides detailed information on individual projects contained within the Capital Budget and the impact of expenditure movements on future financial years.

5 GENERAL SERVICES CURRENT POSITION

- 5.1 Appendix 2 details the actual spend and the latest projected outturns for all projects, detailed by departments. Appendix 1 summarises this information and shows the latest projection of capital resources required to finance the expenditure.

The latest capital monitoring statement shows a revised Projected Outturn for 2011/12 of £63.760m, a decrease of £960,000 since last month's capital monitoring report. The main reasons for this are detailed below.

- 5.1.1 Reduction in expenditure of £310,000 on Elmgrove House Replacement (Social Work). This project has been rephased to reflect the latest timescales for this project. This expenditure will be required in future years and will be funded from borrowing.
- 5.1.2 Reduction in expenditure of £650,000 on Balgarthno Primary School (Education). This project has been rephased to reflect the latest timescales for the project. This expenditure will be required in later years and will be funded from borrowing.

5.2 Capital Resources

- 5.2.1 The table below shows the latest position:-

	Approved Budget £000	Adjustments £000	Revised Budget £000	Projected Outturn £000	Variance £000
General Capital Grant	10,186	1,155	11,341	11,341	-
Capital Receipts/Capital Fund	1,854	727	2,581	2,581	-
Capital Funded from Current Revenue	3,210	(394)	2,816	2,816	-
Borrowing	<u>51,316</u>	<u>(4,294)</u>	<u>47,022</u>	<u>47,022</u>	-
	<u>66,566</u>	<u>(2,806)</u>	<u>63,760</u>	<u>63,760</u>	-

- 5.2.1 The revised budget for Borrowing is £47.022m, a decrease of £960,000 since last month's capital monitoring report, due to the reasons as detailed in 5.1.1 and 5.1.2.

- 5.3 The table below shows the effect of 2011/12 adjustments on future years and how these adjustments are financed.

	2011/12 £000	2012/13 £000	2013/14 £000
Adjustments Per Monitoring (per Appendix 3)	<u>(2,806)</u>	<u>10,421</u>	<u>2,520</u>
Financed By:-			
General Capital Grant	1,155	-	-
Capital Receipts/Capital Fund	727	-	-
Capital Funded from Current Revenue	(394)	591	-
Borrowing	<u>(4,294)</u>	<u>9,830</u>	<u>2,520</u>
	<u>(2,806)</u>	<u>10,421</u>	<u>2,520</u>

6 HOUSING HRA - CURRENT POSITION

- 6.1 Appendix 2 details the actual spend and the latest projected outturns within Housing HRA Capital Programme. Appendix 1 summarises this information and shows the latest projection of capital resources required to finance the expenditure.
- 6.2 The latest capital monitoring statement shows a Projected Outturn of £25.457m, a decrease in projected expenditure of £558,000 since last months capital monitoring report. There has been in an increase of £170,000 in Heating, Kitchens and Bathrooms due to the programme progressing quicker than previously estimated.
- 6.3 The latest capital monitoring shows projected capital resources of £23.108m, a reduction in resources of £3.450m since the capital budget was approved. This is due to a reduction in the anticipated receipts from the sale of Council Houses/New Build sales and Land Sales.
- 6.4 Projected capital expenditure as a percentage of projected capital resources is currently standing at 110%. This variance between expenditure and resources will be met by additional slippage which will be identified throughout the year, along with additional prudential borrowings.

7 RISK ASSESSMENT

- 7.1 There are a number of risks which may have an impact on the Capital Expenditure programme for 2011/12. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.
- 7.2 Currently, building cost inflation levels are low, however, they can on occasion be relatively high in comparison to general inflation. Therefore delays in scheduling and letting contracts may lead to increases in projected costs. In such an event, every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.
- 7.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. For this reason the programme is carefully monitored and any potential slippage is identified as soon as possible and any corrective action taken.
- 7.4 Capital projects can be subject to unforeseen price increases. The nature of building projects is such that additional unexpected costs can occur. The Council is currently experiencing very competitive tenders. Contingencies are built into the budget for each capital project and these will be closely monitored throughout the project.
- 7.5 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital Programmes will be adjusted to reflect updated cost estimates.
- 7.6 The accurate projection of the value and timing of capital receipts from asset sales is difficult in the current economic climate. There is therefore a risk that the level of capital receipts assumed in the financing of the capital programme will not be achieved. In preparing the capital plan the Council has budgeted for a low level of Capital receipts being achieved. The Council has a Capital Fund which can be used to cover any shortfall, in the short-term, in the level of receipts required. Similarly, additional borrowing can be used to cover any temporary shortfalls in capital receipts.

- 7.7 The amount and timing of capital receipts can also be difficult to accurately project as sales are often conditional on planning permission and other non-financial factors. This is the case even in times of relative economic stability.
- 7.8 General Capital Grant is received from Scottish Government via the Local Government Finance Settlement each year. There is a risk associated with future years' grants as indications suggest that levels of public sector support may be reduced. In the current Capital Plan the Council has assumed a 10% year on year reduction in General Capital Grant levels received. Any further reductions will necessitate a review of the Council's Capital Programme.
- 7.9 Capital projects must be affordable in terms of their impact on the Council's Revenue Budget. The option appraisal process should ensure that the revenue impact of capital projects has been calculated and reflected in future years' Revenue Budgets.

POLICY IMPLICATIONS

- 8.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, and Equality Impact Assessment.

There are no major issues.

9 CONSULTATION

- 9.1 The Chief Executive, Depute Chief Executive (Support Services) and Director of Housing have been consulted in the preparation of this report.

10 BACKGROUND PAPERS

- 10.1 None

MARJORY M STEWART
DIRECTOR OF FINANCE

3 NOVEMBER 2011

	<u>Approved Capital Budget 2011/12 £000</u>	<u>Carry Forward from 2010/11 £000</u>	<u>Budget Adjust £000</u>	<u>Carryforward into Future Years £000</u>	<u>Virements £000</u>	<u>Total Budget Adjustments £000</u>	<u>Revised Capital Budget 2011/12 £000</u>	<u>Actual Spend 31 Aug 2011 £000</u>	<u>Actual Spend 30 Sep 2011 £000</u>	<u>Projected Outturn 2011/12 £000</u>	<u>Variance £000</u>	<u>Spend as a % of Projected Outturn</u>
GENERAL SERVICES												
<u>Capital Expenditure 2011/12</u>												
Education	21,276	1,077	(134)	(4,517)		(3,574)	17,702	5,048	6,904	17,702	0	39%
Social Work	2,891	304		(1,541)		(1,237)	1,654	671	945	1,654	0	57%
City Development	20,538	4,528		(3,518)	640	1,650	22,188	6062	8,000	22,188	0	36%
Environment	5,124	1,275		(1,699)	55	(369)	4,755	497	500	4,755	0	11%
Chief Executive / Support Services/Finance	2,701	796	1,155		(659)	1,292	3,993	824	1,004	3,993	0	25%
Leisure & Culture	14,036	761	272	(1,565)	(36)	(568)	13,468	4213	4,638	13,468	0	34%
Capital Expenditure 2011/12	66,566	8,741	1,293	(12,840)	0	(2,806)	63,760	17,315	21,991	63,760	0	34%
<u>Capital Resources 2011/12</u>												
Expenditure Funded from Borrowing	51,316	7,817	138	(12,249)		(4,294)	47,022	7501	11,276	47,022		
Capital Grants	10,186		1,155			1,155	11,341	6450	7,740	11,341		
Capital Funded from Current Revenue	3,210	197		(591)		(394)	2,816	1107	1,360	2,816		
Capital Receipts:-												
Net Asset Sales/ Capital Fund Contribution	1,854	727				727	2,581	2257	1,615	2,581		
Capital Resources 2011/12	66,566	8,741	1,293	(12,840)	0	(2,806)	63,760	17,315	21,991	63,760		
Capital Expenditure as % of Capital Resources	100%						100%			100%		

	<u>Approved</u> <u>Capital</u> <u>Budget</u> <u>2011/12</u> <u>£000</u>	<u>Carry</u> <u>Forward</u> <u>from</u> <u>2010/11</u> <u>£000</u>	<u>Budget</u> <u>Adjust</u> <u>£000</u>	<u>Carryforward</u> <u>into</u> <u>Future Years</u> <u>£000</u>	<u>Virements</u> <u>£000</u>	<u>Total</u> <u>Budget</u> <u>Adjustments</u> <u>£000</u>	<u>Revised</u> <u>Capital</u> <u>Budget</u> <u>2011/12</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>31 Aug 2011</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>30 Sep 2011</u> <u>£000</u>	<u>Projected</u> <u>Outturn</u> <u>2011/12</u> <u>£000</u>	<u>Variance</u> <u>£000</u>	<u>Spend as</u> <u>a % of</u> <u>Projected</u> <u>Outturn</u>
HOUSING HRA												
Capital Expenditure 2011/12												
Free from Serious Disrepair - Roofs	2,734					0	2,734	640	802	2,203	(531)	21%
Free from Serious Disrepair - Roughcast	160					0	160	1	1	162	2	1%
Free from Serious Disrepair - Windows	90					0	90	0	21	49	(41)	0%
Energy Efficient - External Insulation and Cavity Fill	1,942					0	1,942	63	80	1,948	6	1%
Energy Efficient - Heating, Kitchens and Bathrooms	12,772					0	12,772	2995	4,141	12,242	(530)	19%
Energy Efficiency - Boiler replacement	50					0	50	16	19	50	0	26%
Energy Efficiency - Renewables Initiatives	1,000					0	1,000	0	0	500	(500)	0%
Modern Facilities & Services - Individual Shower Programme	100					0	100	39	40	100	0	27%
Healthy, Safe & Secure - Fire Detection	25					0	25	0	0	25	0	0%
Healthy, Safe & Secure - Door Entry System & Secure Doors	900					0	900	455	539	1,654	754	25%
Healthy, Safe & Secure - Lift Replacement	500					0	500	0	0	0	(500)	0%
Healthy, Safe & Secure - Security and Stair Lighting	100					0	100	0	0	0	(100)	0%
Miscellaneous - Fees	10					0	10	2	2	10	0	0%
Miscellaneous - Disabled Adaptations	750					0	750	179	253	750	0	21%
Increase Supply of Council Housing	4,861					0	4,861	2070	2,408	2,912	(1,949)	56%
Demolitions	4,046					0	4,046	1384	1,598	3,491	(555)	21%
Access Road Whitfield	0					0	0	0	0	50	50	0%
Owners Receipts	(890)					0	(890)	(46)	(54)	(939)	(49)	5%
Community Care - Sheltered Lounge Upgrades	50					0	50	0	0	10	(40)	0%
Community Care - Warden Call Replacement	240					0	240	0	0	240	0	0%
Capital Expenditure 2011/12	29,440	0	0	0	0	0	29,440	7,798	9,850	25,457	(3,983)	39%
Capital Resources 2011/12												
Expenditure Funded from Borrowing	19,671					0	19,671	6,610	8,370	19,671		
Capital Receipts:- Council House / New Build Sales	2,887					0	2,887	888	1,110	2,278		
Land Sales	3,200					0	3,200	9	9	409		
Sale of Last in Block	800					0	800	291	361	750		
	26,558	0	0	0	0	0	26,558	7,798	9,850	23,108		
Capital Expenditure as % of Capital Resources	111%						111%			110%		

EDUCATION CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	2010/11 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2011/12 £000
Structural Improvement	200				(84)	(84)	116	18	18	116
Kitchen Improvements	90				(50)	(50)	40	16	45	40
Computers	645					0	645	463	516	645
Vehicles	35				5	5	40	0	0	40
Cladding	324				(323)	(323)	1	0	0	1
Public Access	50				(13)	(13)	37	0	0	37
Curriculum Improvements	150				133	133	283	63	63	283
Electrical Upgrades	300				98	98	398	252	330	398
General Improvements & Upgrades	25	500			55	555	580	174	180	580
Replacement Heating Systems	450				147	147	597	143	192	597
Roof Replacements	400				211	211	611	229	328	611
Window Replacements	500				(314)	(314)	186	41	132	186
Toilets	100				162	162	262	148	255	262
Kingspark Special Project		3				3	3	(199)	20	3
Whitfield Project	5,078	219				219	5,297	1,776	2,189	5,297
Balgarthno Project	3,150	12		(2,462)		(2,450)	700	183	183	700
West End Project	8,701	6	(134)	(1,858)	(90)	(2,076)	6,625	761	1,469	6,625
Harris Project	200	147		(197)		(50)	150	12	17	150
Less Scottish Government Capital Grant		(47)				(47)	(47)	(47)	(47)	(47)
Eastern PS Transfer to Grove	878	237			63	300	1,178	1,015	1,010	1,178
Balances	-					0	0	0	6	0
Education Total	21,276	1,077	(134)	(4,517)	0	(3,574)	17,702	5,048	6,904	17,702

SOCIAL WORK CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	2010/11 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2010/11 £000
Property Upgrades	50	50				50	100	46	53	100
Elmgrove House Replacement	750			(310)		(310)	440			440
Day Services Acc for Learning Disabilities - Wellgate Day Centre	199	16				16	215			215
Day Services Acc for Learning Disabilities - Whitetop Centre	1,242			(1,222)		(1,222)	20			20
Elms Residential Unit for Young People	109	61				61	170	122	136	170
Seymour Lodge Replacement	1,175	496		(27)		469	1,644	871	1,124	1,644
(Less Contribution Tayside Health Board)	(392)	(166)		10		(156)	(548)	(135)	(135)	(548)
(Less Contribution Tayside Police Joint Board)	(392)	(165)		8		(157)	(549)	(135)	(135)	(549)
Refurbishment MacKinnon Centre	150					0	150			150
Claverhouse Offices - Sprinklers		12				12	12			12
Oakland Roof						0	0			0
Millview Cottage								(98)	(98)	
Social Work Total	2,891	304	0	(1,541)	0	(1,237)	1,654	671	945	1,654

CITY DEVELOPMENT CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	2010/11 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2011/12 £000
BUILDING & PROPERTY										
Parking										
Allan Street Car Park & Associated Road Works	4,185	197		(591)		(394)	3,791	1,107	1,360	3,791
Administrative Buildings										
Tayside House Pooled Property Payment	50					0	50			50
Dundee House	1,754	810				810	2,564	2,257	2,336	2,564
Office Accommodation	419	492				492	911			911
City Square - Strengthening/Waterproofing	200					0	200			200
City Square -Toilets(retention)								(4)	(4)	
Automatic Meter Reading Equipment		82				82	82			82
Whitfield Life Services Building	4,185	72		(2,927)		(2,855)	1,330	29	33	1,330
V & A Dundee		116	3,100	(1,116)		2,100	2,100	406	638	2,100
Less Capital Grant Scottish Government		(116)	(3,100)	1,116		(2,100)	(2,100)	(395)	(395)	(2,100)
Industry/Business										
Acquisition of Land/Buildings	250	375				375	625			625
Industrial Estates Improvements	250	110				110	360			360
Business Support Initiative	50					0	50	3	3	50
Incubator units								(2)	(2)	
Other Expenditure										
Shopping Parade Improvements	150	174				174	324	(5)	(4)	324
Mews Building		83			(37)	46	46	(2)	11	46
Demolition of Surplus Properties										
St Saviours	550	628				628	1,178	25	25	1,178
ROADS INFRASTRUCTURE										
Road & Minor Schemes										
Road Safety Measures	150	50				50	200	16	26	200
Pedestrian Crossings / Traffic Lights	100					0	100	73	95	100
Footpaths	300	110				110	410	2	15	410
Unadopted Footpaths					640	640	640	90	105	640
Cycling, Walking & Safer Streets					206	206	206	22	33	206
Less Scottish Government Grant Funding					(206)	(206)	(206)			(206)
Smarter Choices Smarter Places		70				70	70	15	15	70
Environmental Improvements Programme										
Central Area & Other Projects	200	237			37	274	474	140	157	474
Community Regeneration Project										
Lochee	180				100	100	280	24	25	280
Whitfield	10					0	10		6	10
Hilltown	10	38				38	48	37	37	48
Accepted Practices										
Street Lighting Renewal	580					0	580	253	423	580
Road Reconstruction / Recycling	1,500					0	1,500	311	711	1,500
Bridge Assessment & Work Programme	289					0	289			289
Linlathen Bridge East	312	22				22	334	81	103	334
Less Developers Contributions	(312)	(22)				(22)	(334)	(81)	(103)	(334)
Regional Transport Partnership	2,799	54			(100)	(46)	2,753	366	487	2,753
Less TACTRAN Grant	(290)	(54)				(54)	(344)	(293)	(405)	(344)
Coastal Protection Works	230	17				17	247	70	78	247
Beach Defences Broughtly Ferry		552				552	552	167	435	552
Dykes of Gray	2,437	376				376	2,813	1,350	1,756	2,813
City Development Total	20,538	4,528	0	(3,518)	640	1,650	22,188	6,062	8,000	22,188

ENVIRONMENT CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	2010/11 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2011/12 £000
Purchase of Bins	240					0	240	108	139	240
Baldovie Redevelopment	300					0	300	0	0	300
Riverside Landfill Site	50	110				110	160	13	20	160
Purchase of Skips	30					0	30	0	0	30
Waste Management Property	480					0	480	4	4	480
Purchase of Vehicles & Equipment	600		13			13	613	43	26	613
(Less Sale of Vehicles)			(13)			(13)	(13)		(13)	(13)
Fleet - Washbay and Fuel Facility	350					0	350	0	0	350
Recycling Initiatives/Zero Waste Fund	223	110				110	333	0	0	333
Air Quality Monitoring Equipment	30					0	30	0	0	30
Contaminated Land	117					0	117	0	0	117
Public Open Space	50					0	50	0	0	50
Playground Improvements	50	18				18	68	0	0	68
Purchase of Plant, Machinery & Vehicles	450	442				442	892	216	201	892
DISC Replacement Pitches		350	225		13	588	588	0	0	588
(Less Sportscotland Funding)			(225)			(225)	(225)	0	0	(225)
Parks / Master Plan	80					0	80	4	13	80
Caird Park Velodrome		87	91		37	215	215	0	0	215
(Less Sportscotland Funding)			(91)			(91)	(91)	0	0	(91)
Camperdown Gardeners Cottage					19	19	19	0	0	19
Camperdown Country Park - Development Plan	60	10				10	70	0	0	70
Cemeteries	501	55		(476)		(421)	80	11	11	80
New Cemetery Linlathen	1,358	(20)		(1,223)		(1,243)	115	7	7	115
Environmental/Paths for All	55	13				13	68	5	6	68
(Less Forestry Commission Grant)								(2)	(2)	
Purchase of Vehicles & Equipment	100	100	14		(14)	100	200	102	102	200
(Less Sale of Vehicles)			(14)			(14)	(14)	(14)	(14)	(14)
Environment Total	5,124	1,275	0	(1,699)	55	(369)	4,755	497	500	4,755

CHIEF EXECUTIVE/SUPPORT SERVICES/FINANCE CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	2010/11 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2011/12 £'000
Vacant & Derelict Land Fund - 07/08 - 10/11 Programme		313	35			348	348	364	397	348
(Less Scottish Government Capital Grant)		(164)				(164)	(164)	(164)	(164)	(164)
(Less Sustran Contribution)			(35)			(35)	(35)	(35)	(35)	(35)
Vacant & Derelict Land Fund - 2011/12 Programme			1,435			1,435	1,435	0		1,435
(Less Scottish Government Capital Grant)			(1,435)			(1,435)	(1,435)	0	0	(1,435)
Central Waterfront										
Surface Water Drainage Tank			15			15	15	(31)	15	15
Works Completion Bridge Ramp One incl Gellatly St	1,993		(623)			(623)	1,370	1,236	1,282	1,370
Completion of Western Road Network			229			229	229	1	8	229
Construction New Rail Bridge, Concourse	525		(51)			(51)	474	131	159	474
Junction 6 & Public Utilities Diversions	850		1,478			1,478	2,328	176	191	2,328
A92/Trades Lane	7		8			8	15	5	5	15
Demolition Tayside House & Olympia	1,900		(800)			(800)	1,100	25	30	1,100
Discovery - Coach Park & Service Road to V&A			45			45	45	0		45
Land Decontamination	300					0	300	0		300
Project Management & Design	71		300			300	371	268	279	371
V & A Dundee			5			5	5	1	1	5
(Less SE Contribution)	(5,114)		549			549	(4,565)	(1,630)	(1,773)	(4,565)
Cycling, Walking & Safer Streets	206				(206)	(206)	0	0	0	0
Less Scottish Government Grant Funding	(206)				206	206	0	0	0	0
Unadopted Footpaths	500	140			(640)	(500)	0	0	0	0
Disabled Access	50					0	50	0	0	50
Health & Safety Works	589	255			(19)	236	825	0	0	825
Purchase of Computer Equipment	850	55				55	905	342	473	905
Energy - Spend to Save	100					0	100	0	0	100
ICT Strategy	50	16				16	66	16	17	66
Telephony and Data Network & Infrastructure Upgrade	20	116				116	136	115	115	136
Purchase to Payment System		29				29	29	0	0	29
Corporate Electronic Records Management System	10	36				36	46	4	4	46
Chief Executive/Support Services/Finance Total	2,701	796	1,155	0	(659)	1,292	3,993	824	1,004	3,993

LEISURE & CULTURE CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	2010/11 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2011/12 £'000
McManus Galleries Restoration & Dev Project								(138)	(138)	
(Less Historic Scotland)								28	28	
McManus Display								(4)	(4)	
(less MGS / Orchar Fund / PF Trust Concls.)								60	0	
Leisure Centre Improvements	50					0	50	0		50
Dick McTaggart Gymnastic Centre	1,800	(32)	178			146	1,946	27	29	1,946
(Less SportsScotland Funding)	(1,200)					0	(1,200)	0		(1,200)
Allan Street New Swimming Pool	13,959	578		(1,799)		(1,221)	12,738	3,975	4,436	12,738
(Less Sports Scotland Lottery Funding)	(1,188)			234		234	(954)	0	0	(954)
Camperdown Development (incl Visitor Ctre & Electrical Works)		36			21	57	57	62	62	57
DCA	80					0	80	22	23	80
Caird Hall	100	70				70	170	70	70	170
Roof Replacement/Improvement Programme	110					0	110	0	0	110
Camperdown Roof Replacement	221	118	65		4	187	408	175	196	408
(Less Historic Scotland)	(46)		(65)			(65)	(111)	(65)	(65)	(111)
Window Replacement	75				(75)	(75)	0	0	0	0
Heating & Ventilation	75					0	75	0	0	75
Dundee Ice Arena - Storage Area		(9)	94			85	85	1	1	85
Purchase of Equipment					14	14	14	0	0	14
Leisure & Communities Total	14,036	761	272	(1,565)	(36)	(568)	13,468	4,213	4,638	13,468

HOUSING HRA CAPITAL MONITORING 2011/12

Nature of Expenditure	Approved Budget 2011/12 £'000	Budget Adjust. £'000	C/f into Future Years £'000	Total Adjusts £'000	Revised Budget 2011/12 £'000	Expenditure to 31/08/2011 £'000	Expenditure to 30/09/2011 £'000	Projected Outturn 2011/12 £'000
Free From Serious Disrepair								
Roof Replacement	2,734			0	2,734	640	802	2,203
Roughcast Renewal	160			0	160	1	1	162
Windows	90			0	90	0	21	49
Energy Efficiency								
External Insulation and Cavity	1,942			0	1,942	63	80	1,948
Heating, Kitchens and Bathrooms & Showers	12,772			0	12,772	2,995	4,141	12,242
Ferolli & Ravenheart boiler replacement	50			0	50	16	19	50
Renewable Initiatives	1,000			0	1,000	0	0	500
Modern Facilities and Services								
Individual Shower Programme	100			0	100	39	40	100
Healthy, Safe and Secure								
Fire Detection	25			0	25	0	0	25
Door Entry System	900			0	900	455	539	1,654
Lift Replacement	500			0	500	0	0	0
Security & Stair Lighting	100			0	100	0	0	0
Increase Supply of Council Housing								
New Builds	4,861			0	4,861	2,070	2,408	2,912
Demolitions	4,046			0	4,046	1,384	1,598	3,491
Access Road Whitfield						0	0	50
Miscellaneous								
Fees	10			0	10	2	2	10
Disabled Adaptations	750			0	750	179	253	750
Owner Receipts	(890)			0	(890)	(46)	(54)	(939)
Community Care								
Sheltered Lounge Upgrades	50			0	50		0	10
Warden Call Replacements	240			0	240		0	240
Housing HRA Total	29,440	0	0	0	29,440	7,798	9,850	25,457

CAPITAL MONITORING 2011/12**Summary of Changes to Approved Budget 2011/12**

(and effect on future years)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>Adjustments:</u>			
<u>Education</u>			
Carryforward from 2010/11	1,077		
West End PS - reduction and rephasing of expenditure	(2,082)	1,115	(150)
Lochee PS - rephasing of expenditure	(2,462)	582	1,820
Harris Academy - rephasing of expenditure & income	(197)	(50)	850
General Improvements Upgrades (virement from West End PS)	90		
<u>Social Work</u>			
Carryforward from 2010/11	304		
Seymour Lodge - rephasing of expenditure (net of external contributions)	(9)	9	
Whitetop Centre - rephasing of expenditure	(1,222)	1,222	
Elmgrove House - rephasing of expenditure & increased cost	(310)	758	
<u>City Developments</u>			
Carryforward from 2010/11	4,528		
Allan Street Car Park & Associated Road Works - rephasing of expenditure	(591)	591	
Transfer of Unadopted Footpaths and CWSS from Chief Executive	640	500	
Whitfield Life services - rephasing of expenditure	(2,927)	2,927	
<u>Environment</u>			
Carryforward from 2010/11	1,275		
DISC Replacement Pitches - vire from Leisure & Culture (Window Replacement)	13		
Caird Park Velodrome - vire from Leisure & Culture (Window Replacement)	37		
Camperdown Gardener's Cottage - vire from Chief Executive (Health & Safety)	19		
Purchase of Equipment - vire to Leisure & Culture	(14)		
New Cemetery Linlathen - rephasing of expenditure	(1,223)	1,223	
Birkhill Cemetery Extension - rephasing of expenditure	(476)	476	
<u>Chief Executive, Support Services & Finance</u>			
Carryforward from 2010/11	796		
Central Waterfront - rephasing of expenditure and income	1,155		
Transfer of Unadopted Footpaths and CWSS to City Development	(640)	(500)	
Camperdown Gardener's Cottage - vire to Environment	(19)		
<u>Leisure & Culture</u>			
Carryforward from 2010/11	761		
Dundee Ice Arena - Storage Area	94		
Purchase of Equipment - vire from Environment	14		
Window Replacement - vire to Environment (DISC Replacement Pitches)	(13)		
Window Replacement - vire to Environment (Caird Park Velodrome)	(37)		
Allan Street Swimming Pool - rephasing of expenditure & income	(1,565)	1,565	
Dick McTaggart - increase in total project cost	178	3	
	(2,806)	10,421	2,520

REPORT TO: POLICY AND RESOURCES COMMITTEE - 14 NOVEMBER 2011

REPORT ON: DUNDEE COMMUNITY REGENERATION FUND 2011/12

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 498-2011

1. PURPOSE OF REPORT

1.1 This report confirms the Community Regeneration Fund allocations for 2011/12 and makes recommendations for grants.

2. RECOMMENDATIONS

2.1 It is recommended that committee approves the funding proposals contained in section 5 of this report.

3. FINANCIAL IMPLICATIONS

3.1 This report makes allocations from the Dundee Community Regeneration Fund which was approved at Policy and Resources Committee of 7 December 2009. An allocation of £125,000 is available to each of the Community Regeneration Forums in the city for each of the three years from 2010/11.

3.2 Grants of £25,859 in 2011/12 and £2,098 in 2012/13 are recommended in this report.

4. BACKGROUND

4.1 Policy and Resources Committee on 7 December 2009 approved Report No 58-2010 which set out arrangements for the mainstreaming of the Fairer Scotland Fund. This included the commitment to continue to make funding available to community regeneration forums to support local regeneration activity.

4.2 The community regeneration forums have been recognised by the Scottish Government as best practice. They are a strong democratic means of identifying and responding to local need, promote community empowerment and capacity building and work well in representing a community regeneration perspective within Local Community Planning Partnerships.

4.3 Report No 84-2010 on 22 February 2010 approved the arrangements for making allocations for the six wards with data zones identified as within the most disadvantaged 15% in Scotland as defined by the Scottish Index of Multiple Deprivation 2008. These are Coldside, East End, Lochee, Maryfield, North East and Strathmartine.

4.4 Each forum has an annual allocation of £125,000 for each of the three years 2010/11, 2011/12 and 2012/13.

4.5 The process by which Dundee City Council allocates funding to local projects through community regeneration forums was agreed by Policy and Resources Committee in December 2004 (Report No 743-2004). The same procedures apply to the Dundee Community Regeneration Fund.

4.6 Community regeneration forums will be invited to allocate funding of up to £25,000 on small grants, up to £50,000 on diversionary and preventative youth work and no less than £50,000 on physical improvements.

5. FUNDING ALLOCATIONS AND PROPOSALS

5.1 The budget for each community regeneration forum is summarised below, together with allocations proposed in this report. (Totals include agreed carry forwards from 2010/11).

Dundee Partnership Fund 2011- 2012

Local Forum	Total Allocation	Previously Allocated	Current Proposals	Still Available
Coldside	£137,127	£75,575	£414	£61,138
East End	£126,000	£116,363	£8,276	£1,361
Lochee	£125,571	£80,281	£2,801	£42,489
Maryfield	£160,993	£40,713	£6,824	£113,456
North East	£125,283	£67,899	£3,568	£53,816
Strathmartine	£125,156	£65,838	£3,976	£55,342
Total	£800,130	£446,669	£25,859	£327,602

Dundee Partnership Fund 2012-13

Local Forum	Total Allocation	Previously Allocated	Current Proposals	Still Available
Coldside	£125,000	£2,414	£0	£122,586
East End	£125,000	£0	£0	£125,000
Lochee	£125,000	£0	£0	£125,000
Maryfield	£125,000	£13,957	£2,098	£108,945
North East	£125,000	£13,168	£0	£111,832
Strathmartine	£125,000	£0	£0	£125,000
Total	£750,000	£29,539	£2,098	£718,363

5.2 The proposals contained in Appendix A recommend the allocation from local budgets of £25,859 in 2011/12 and £2,098 in 2012/13.

6. POLICY IMPLICATIONS

6.1 The community regeneration process has previously been screened for policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-poverty and Risk Management.

The Equality Impact Assessment carried out for Report No 507-2010 in September 2010 fully addresses the proposals in this report and is available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>.

6.2 The resources made available through the Dundee Community Regeneration Fund are targeted on those areas which fall within the most disadvantaged 15% of data zones in the 2008 Scottish Index of Multiple Deprivation. This funding is intended to tackle a range of inequalities.

7. CONSULTATIONS

7.1 Consultation has taken place with the Depute Chief Executive and the Director of Finance

7.2 Partner agencies, community representatives and voluntary sector representatives have also been consulted and involved in the assessment of applications and the formation of recommendations contained in this report.

8 BACKGROUND PAPERS

8.1 Report to Policy and Resources Committee, December 2004, Report No 743-2004.

8.2 Report to Policy and Resources Committee, December 2009, Report No 591-2009.

8.3 Equality Impact Assessment Report.

David K Dorward
Chief Executive

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07/11/2011

DUNDEE PARTNERSHIP - 2011/2012

Ref No.	Applicant	Ward	Description of Project	Total Project Costs	Amount Requested	Forum Decision Amount
CY015	Grey Lodge Settlement	Coldside	To enable 30 young people who are currently participating in drama workshops to see a theatre production.	£1,135	£667	£414
EE016	Age Concern	East End	To contribute towards an outing and seasonal lunch for approximately 20 elderly clients from the East End area.	£450	£225	£150
EE018	Peer Education Project	East End	To allow 15 peer educators from Craigie High School to participate in a weekend residential along with pupils from four other schools.	£1,702	£1,203	£1,203
EEP005	City Development, Transport Division	East End	To install a ramp on Pitkerro road to improve access for pedestrians to bus stop.	£10,381	£4,833	£4,833
EEP006	Craigie High School	East End	To extend the schools one LAN system, used to share school and community information, by installing a new display unit in the dining centre.	£2,278	£2,090	£2,090
LY021	Peer Education Project	Lochee	To allow 30 peer educators from Menzieshill High School to participate in a residential with four other Dundee secondary schools.	£3,405	£2,401	£2,401

DUNDEE PARTNERSHIP - 2011/2012

Ref No.	Applicant	Ward	Description of Project	Total Project Costs	Amount Requested	Forum Decision Amount
L022	Dryburgh Community Association	Lochee	To take 36 local children to a pantomime	£416	£400	£400
M007	Morgan Academy	Maryfield	To employ two staff members to support the role of the Peer Education Project within Morgan Academy.	£4,144	£4,144	£2,046 2011/12 £2,098 2012/13
M014	Dundee Museum of Transport Trust	Maryfield	To match fund a feasibility study on the use of the Maryfield Tram depot by the Museum of Transport and to fund additional marketing and outreach activities within the Maryfield Ward.	£20,018	£4,778	£4,778
NE017	Tayside Fire and Rescue	North East	Safer Cooking Initiative to provide fire prevention kitchen equipment	£1,000	£500	£500
NE018	Finmill Centre LMG	North East	To hold a seasonal celebration for 100 centre users and allow groups using the centre to showcase their activities.	£1,534	£1,178	£1,178

DUNDEE PARTNERSHIP - 2011/2012

Ref No.	Applicant	Ward	Description of Project	Total Project Costs	Amount Requested	Forum Decision Amount
NE019	Mill O' Mains Community Pavilion	North East	To hold a 'Christmas in the Community' event for 200 local residents and purchase items that can be used for similar events in future years.	£687	£687	£687
NEY015	Peer Education Project	North East	To allow 15 peer educators from Braeview Academy to participate in a residential with four other Dundee secondary schools.	£1,703	£1,203	£1,203
S021	St Mary's Social Sub Group	Strathmartine	To enable three events to take place; a children's Christmas party, transport for a children's outing and a Burns Night supper for adults. In all 158 people will benefit.	£525	£525	£525
S022	St Mary's Community Facility	Strathmartine	Installation of a cooker at centre to enable groups to prepare food, snacks etc. 300 people will benefit from the additional resource.	£632	£532	£532
S023	Ardler Family Support Centre	Strathmartine	To run a mental health wellbeing group for parents currently receiving support from the Social Work Department and a family outing for 25 parents and children.	£550	£514	£514
SY011	Peer Education Project	Strathmartine	To allow 30 peer educators from Baldragon Academy to participate in a weekend residential with pupils from four other Dundee secondary schools.	£3,405	£2,405	£2,405

Total Allocation from 2011-12 funds: £25,859

Total Allocation from 2012-13 funds: £ 2,098

REPORT TO: POLICY AND RESOURCES COMMITTEE - 14 NOVEMBER 2011

REPORT ON: VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 507-2011

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide feedback on the report agreed by the Policy and Resources Committee held on 10 February 2011 regarding the voluntary early retirement scheme for teachers, and to suggest further proposals to take effect at the end of academic session 2011-2012.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:-

- i. continues the voluntary early retirement scheme for teaching staff aged 55 years and over with effect from 12 August 2012, as outlined in Section 4 and the appendix to this report; and
- ii. instructs the Director of Education to monitor the effect of this scheme on service delivery and report to Education Committee the actual impact, and, if appropriate, bring back further proposals for subsequent years.
- iii. note the costs and savings arising from the Voluntary Early Retirement scheme for financial years 2010-11 and 2011-12.

3.0 FINANCIAL IMPLICATIONS

3.1 The financial implications of this scheme will vary depending upon the circumstances of individual applicants and therefore it is not possible to be precise at this stage. By offering this scheme it would be hoped this will create opportunities for newly qualified staff and the potential removal of excess staff within some of our schools.

3.2 There will be additional costs associated with the early retirements in terms of payments needed to be made to SPPA. As a guide to the estimated cost, the average cost of releasing a teacher under the 2010-11 scheme was £4,800 in year one with ongoing annual costs of £1,300. The average net salary savings, after taking account of the replacement teacher costs amounted to £12,500 per post. This means on average each post subject to Voluntary Early Retirement scheme has achieved a saving of £11,200. It should be noted that this saving reduces each year as replacement teachers progress through the salary scale.

3.3 The estimated cost of releasing a teacher under the 2011-12 scheme was £7,000 in year one with ongoing annual costs of £2,000. The average net salary savings, after taking account of estimated replacement teacher costs amounts to £9,700 per post. This means on average each post subject to Voluntary Early

retirement scheme has achieved a saving of £7,700. It should be noted that this saving reduces each year as replacement teachers progress through the salary scale.

- 3.4 Appendix 2 provides a summary of the costs and savings arising from both the previous schemes that have run during 2010-11 and 2011-12.
- 3.5 The financial implications for the 2012-13 scheme maybe higher due to the additional enhancements being offered.
- 3.6 As teachers will be required to sign a compromise agreement (COT/3) before accepting any offer, the Council will arrange for a firm of solicitors to give free independent legal advice to employees. The cost to the council for this advice will be in the region of £75 per employee.

4.0 MAIN TEXT

- 4.1 Dundee City Education Department teacher to pupil ratio remains one of the more generous allocations compared to other Local Authorities. There are still however situations within some of our schools where we have excess teachers.
- 4.2 Arising from the report agreed at the Policy and Resources Committee on 10 February 2011, 116 teachers expressed an interest in voluntary early retirement, 64 received an offer and 49 accepted and left employment in August 2011.
- 4.3 There are currently 263 teachers who will be aged 55 - 60 years, as at 12 August 2012. This proposal would allow teachers in this age group, in all sectors, to apply for consideration for voluntary early retirement. The breakdown is as follows:

Age	Numbers
55	64
56	53
57	50
58	48
59	48
Total	263

- 4.4 Staff aged 55 but under 57 would be offered a service enhancement of 3 years. Staff aged 57 but under 59 would be offered up to 3 years' enhancement. Staff aged 59 and over would be offered 1 year's enhancement, provided that in all cases this would not result in an accrual of service of more than 40 years.
- 4.5 Staff aged 60 or over, are entitled to retire. However, consideration may be given to members of staff aged 60 but under 65, to grant up to a maximum of 1 year's enhancement, where a saving would result for the Department.
- 4.6 This proposal would help the department in the following ways:
- increase the employment opportunities for probationers and those in the early years of their teaching career, and help Dundee City Council to be seen as an employer of choice
 - reduce excess staffing numbers in schools, especially in the secondary sector

- assist with the release of teachers who have lifetime conservation or 3-year cash conservation of salary, following the adoption of 'A Teaching Profession for the 21st Century'
 - reduce the overall salary budget for the department
 - assist in restructuring the workforce to cope with the demands of curricular change
 - help reduce absence statistics
 - improve the morale of the workforce
 - assist the Director of Education meet the budgetary savings required in the following years; to maximise these savings, all promoted vacancies would, in the first instance, be ring-fenced to current Dundee City Council teachers
- 4.7 Appendix 2 provides a summary of the costs and savings arising from both the previous schemes that have run during 2010-11 and 2011-12
- 4.8 Approval of applications for early retirement would be subject to the voluntary early retirement scheme principles outlined in the attached Appendix 1.
- 4.9 Early retirements would be effective from 12 August 2012.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any implications in respect of sustainability, strategic environment assessment, anti-poverty, equality impact assessment and risk management. An equality impact assessment has been carried out and will be placed on the Council website: www.dundee.gov.uk/equanddiv/equimpact/.
- 5.2 There are no major issues.

6.0 CONSULTATION

- 6.1 This report has been subject to consultation with the Chief Executive, Depute Chief Executive (Support Services) and Director of Finance. The trade unions have also been consulted.

7.0 BACKGROUND PAPERS

- 7.1 Equality Impact Assessment.

Michael Wood
Director of Education

MW/JR/DD

3 November 2011

EDUCATION DEPARTMENT - VOLUNTARY EARLY RETIREMENT SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS

SCHEME PRINCIPLES

This scheme is open to all permanent teachers who meet the age of 55+ years as at 12 August 2012, and who are members of the Scottish Teachers Superannuation Scheme.

All early retirements granted will be effective from the end of session 2011-12.

Teachers will be offered reimbursement of actuarial reduction of pension (mandatory compensation) and up to three added years' service (discretionary compensation), up to a maximum of 40 years' service and a maximum of age 65 as follows:

Age at 12 August 2012	Enhancement
55 but under 57	3 years' enhancement
57 but under 59	Up to 3 years' maximum enhancement
59 and over	1 year's enhancement

In considering applications, the following principles will apply:-

- There is no entitlement to early retirement/redundancy and it may not be possible to approve all applications.
- Approval will be subject to the retention of sufficient numbers of employees with the necessary skills to maintain an effective level of service to the citizens of Dundee and all decisions will also take account of the financial implications for the Council.
- Individual applications will be subject to consideration by - Head of Education, Human Resources Manager, Finance Manager and recommendations subject to final approval by the Director of Education. The Chief Executive, Depute Chief Executive and Director of Finance will also be consulted.
- The closing date for applications under the scheme will be 20 December 2011.

Approved applicants will be required to sign a compromise agreement/COT3, which safeguards both the applicant and the Council in reaching an agreed position. The Council will make provision for independent legal advice to be made available.

SUMMARY OF EARLY RETIREMENT FINANCIAL COSTS AND SAVINGS

	Number	Salary saving	Less lump sum costs	Less on-going pension costs	Less Replacement salary costs	Net savings
		£'000	£'000	£'000	£'000	£'000
2010-11 Early Retirement scheme						
Financial Year 2010-11- retirements August 2010 - part year	90	2,656	360	75	1,891	330
Full year 2011-12 onwards		4,250		120	3,125	1,005
2011-12 Early Retirement scheme						
Financial year 2011-12 - retirements August 2011 - part year	49	1,878	285	59	1,581	(47)
Full year 2012-13 onwards		3,004		95	2,529	380