



City Chambers
DUNDEE
DD1 3BY

TO: ALL MEMBERS OF THE POLICY
AND RESOURCES COMMITTEE

POLICY AND RESOURCES - 23RD MARCH, 2009

I refer to the agenda issued in respect of the above and would advise you that the Convener had agreed that the undernoted item be considered as a matter of urgency in terms of Standing Order No 17(b) in view of the timescales involved.

Yours faithfully

ALEX STEPHEN

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.

12(a) CONTRIBUTION TO V & A PROJECT LEGAL COSTS (AN82-2009)

The Policy and Resources Committee have been previously advised on the proposed V & A Museum development on the Dundee Central Waterfront. The V & A Steering Group, which comprises representatives of the City Council, Scottish Enterprise and the two universities, now wish to appoint external legal advisers in order to set up the corporate governance structure necessary to take that project forward. The V & A Steering Group require £20,000 to implement the corporate governance structure, eg company limited by guarantee with charitable status and each of the partners are being requested to commit £5,000.

The Committee are asked to agree £5,000 of expenditure for the aforementioned purpose, all of which can be contained within the Chief Executive's Revenue Budget.

City Chambers
DUNDEE
DD1 3BY

16th March, 2009

Dear Sir or Madam

You are requested to attend a MEETING of the **POLICY AND RESOURCES COMMITTEE** to be held in the City Chambers, Dundee on Monday, 23rd March, 2009, following the meetings of the City Council, Education, Economic Development, Leisure, Arts and Communities, Housing, Dundee Contract Services and Environment Services and Social Work and Health Committees called for 6.00 pm.

Yours faithfully

ALEX STEPHEN

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 MINUTES

- (I) **SUPERANNUATION INVESTMENT SUB-COMMITTEE - 23RD FEBRUARY, 2009**
- (II) **PERSONNEL APPEALS SUB-COMMITTEE - 9TH MARCH, 2009**

The minutes of meetings of the above Sub-Committees copies of which are appended hereto, are submitted for information and record purposes.

2 REVENUE MONITORING

(Report No 186-2009 enclosed).

3 CAPITAL MONITORING

(Report No 146-2009 enclosed).

4 TREASURY MANAGEMENT STRATEGY 2009/2010

(Report No 160-2009 enclosed).

5 RELIEF OF RATES - CHARITY RELIEF

(Report No 174-2009 enclosed).

6 COMMON GOOD

(Report No 193-2009 enclosed).

7 REINTRODUCTION OF MORTGAGES FOR COUNCIL HOUSE SALES

(Report No 118-2009 enclosed).

8 HAZARDOUS MATERIALS EMERGENCY PLAN 2009

(Report No 187-2009 enclosed).

9 CUSTOMER CONTACT CENTRES - UPGRADE (AN75-2009)

It is reported that the equipment that supports the Council's Contact Centres requires to be upgraded to continue to allow expansion and development in providing a quality customer service.

It is recommended this upgrade be approved as it will allow for greater flexibility in call handling in the event of a major emergency in the City. The upgrade would also allow the integration of the Council's main telephone switchboard staff into the Corporate Customer Service Team, providing a greater and more flexible pool of resource for telephone call handling.

The cost of the upgrade from British Telecom is £39,200 and will be financed from the ICT Strategy budget, maintenance costs savings will amount to £2,000 per annum.

10 ACHIEVING OUR POTENTIAL - A FRAMEWORK TO TACKLE POVERTY AND INCOME INEQUALITY IN SCOTLAND

(Report No 158-2009 enclosed).

11 FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 - PUBLICATION SCHEME (AN76-2009)

The Council is required under the Freedom of Information Act 2002 to maintain a Publication Scheme which has been approved by the Scottish Information Commissioner. Approval for the Council's current Scheme will shortly expire.

The Commissioner has developed a model Publication Scheme for Local Authorities which is being adapted for use in Dundee. Once finalised this requires to be submitted to the Commissioner by 4 April.

Given that this is the last meeting of the Committee before the recess it is recommended that the Depute Chief Executive (Support Services) be given delegated authority to submit the scheme by the due date. She will circulate a draft to all Group Leaders and Depute Lord Provost Borthwick for the comments before it is submitted.

12 SINGLE STATUS APPEAL RESULTS AND IMPLEMENTATION

(Report No 63-2009 enclosed).

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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 6 of Part I of Schedule 7A of the Act.

13 DUNDEE ICE ARENA (AN80-2009)

14 PERSONNEL APPOINTMENTS SUB-COMMITTEE (AN81-2009)

APPENDIX I

At a MEETING of the **SUPERANNUATION INVESTMENT SUB-COMMITTEE OF THE POLICY AND RESOURCES COMMITTEE** held at Dundee on 23rd February, 2009.

Present:-

BAILIES

George REGAN

Helen WRIGHT

Rod WALLACE

COUNCILLORS

Kevin KEENAN

Jimmy BLACK

Christina ROBERTS

Bailie George REGAN, Convener, in the Chair.

Unless marked thus * all items stand delegated.

I APOLOGIES AND SUBSTITUTES

It was reported that Councillor Roberts was substituting for Bailie Sawers for the purposes of this meeting.

II MINUTE OF MEETING OF 17TH NOVEMBER, 2008

The minute of meeting of the Superannuation Investment Sub-Committee of 17th November 2008 was submitted and approved.

III TAYSIDE VALUATION FUNDS - ACTUARIAL VALUATION AS AT 31ST MARCH, 2008

There was submitted Report No 110-2009 by the Head of Finance updating the Committee on the Actuarial Valuation of the Tayside Superannuation Fund and the Tayside Transport Superannuation Fund as at 31st March, 2008.

The Committee noted the information detailed in the report.

IV TAYSIDE SUPERANNUATION FUNDS BUSINESS PLAN 2009/10

There was submitted Report No 43-2009 by the Head of Finance introducing the sixth annual business plan for the Tayside Superannuation Funds.

The Sub-Committee agreed to note the information within the report and approved the 2009/10 Business Plan which applied to the administration and management of the Tayside Superannuation Fund and the Tayside Transport Superannuation Fund.

V STATEMENT OF INVESTMENT PRINCIPLES ANNUAL REVIEW

There was submitted Report No 42-2009 by the Head of Finance reviewing Statements of Investment Principles for the Tayside Superannuation Fund and the Tayside Transport Superannuation Fund.

The Sub-Committee agreed to note the information within the report and approve the Statements of Investment Principles for both the Tayside Superannuation Fund and the Tayside Transport Superannuation Fund.

VI FUNDING STRATEGY STATEMENT

There was submitted Report No 44-2009 by the Head of Finance reviewing the Funding Strategy Statements for the Tayside Superannuation Funds.

The Sub-Committee agreed to approve the Funding Strategy Statements for Tayside Superannuation Fund and Tayside Transport Superannuation Fund.

The Sub-Committee resolved 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 involved the likely disclosure of exempt information as defined in paragraphs 4, 6 and 11 of Part I of Schedule 7A of the Act.

VII TAYSIDE SUPERANNUATION FUNDS

(a) PERFORMANCE SUMMARIES

There was submitted Report No 111-2009 by the Head of Finance reviewing the investment performance of the Main Fund's four Fund Managers (excluding Property) for the quarter to 31st December, 2008 and considering the performance of the Transport Fund which shared two of those Managers.

The Sub-Committee noted the information contained therein with regard to the performance of the Tayside Superannuation Fund and Tayside Transport Superannuation Fund and their Fund Managers.

(b) PERFORMANCE SUMMARY (PROPERTY PORTFOLIO)

There was submitted Report No 112-2009 by the Head of Finance reviewing the investment performance of the Property Portfolio managed by Schroder Property Investment Management Ltd, for the quarter to 31st December, 2008 and for the twelve month period to the same date.

The Sub-Committee noted the information contained therein with regard to the performance of the Property Portfolio managed by Schroder Property Investment Management Ltd.

(c) SUMMARIES OF INVESTMENTS AND TRANSACTIONS

There was submitted Report No 561-2008 by the Head of Finance reviewing the investment activities of the Main Fund's five Fund Managers for the quarter to 31st December, 2008. The Transport Fund shared three of these managers and their transactions were included.

The report summarised the transactions of each Fund Manager and showed the market values of the Main and Transport Fund.

The Sub-Committee noted the information contained therein with regard to the activities of the Tayside Superannuation Fund and Tayside Transport Superannuation Fund and their Fund Managers.

(d) QUARTERLY FUNDING REPORT

There was submitted Report No 114-2009 by the Head of Finance reviewing the current funding level of the Funds as assessed by Barnett Waddingham, the Fund Actuary.

The Sub-Committee noted the report by Barnett Waddingham.

VIII PRESENTATION - REVIEW OF ALLIANCE BERNSTEIN

Graeme Griffiths, Senior Portfolio Manager and Frances Smyth, Director of Client Relations (Institution and Investments), of Alliance Bernstein gave a short presentation reviewing its fourth quarter performance for 2008 in respect of the Tayside Superannuation Fund, and outlining a review of its portfolio strategy for the future.

It was noted that this strategy sought to minimise areas of high risk whilst retaining opportunities for the future, and they were confident of the Fund's performance in the longer term.

After Mr Griffiths and Ms Smyth had made their presentation and answered questions from members of the Sub-Committee, they were thanked for their presentation by the Convener.

George REGAN, Convener

APPENDIX II

At a MEETING of the **PERSONNEL APPEALS SUB-COMMITTEE** held at Dundee on 9th March, 2009.

Present:-

Bailie Derek SCOTT

Councillors Mohammed ASIF and Ken LYNN

Councillor ASIF, Convener, in the Chair.

The minute of meeting of this Committee of 2nd February, 2009 was held as read.

Unless marked thus * all items stand delegated.

The Sub-Committee resolved 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 item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Act.

APPEAL AGAINST DISMISSAL (PA76)

Councillor Lynn declared a non-financial interest in this matter by virtue of being a member of Unite the Union.

It was reported than an appeal against dismissal from an employee of the Support Services Department had been submitted.

The Sub-Committee heard the Council's representative and witnesses and thereafter, the Appellant and their representative.

After questions had been put and answers given by both parties to each other and the witnesses by members of the Sub-Committee, the parties withdrew.

Thereafter, following careful consideration of all the information, the Sub-Committee agreed the grounds of the appeal had not been substantiated and that the appeal be not upheld.

Mohammed ASIF, Convener.

REPORT TO: POLICY & RESOURCES COMMITTEE - 23 MARCH 2009

REPORT ON: REVENUE MONITORING 2008/2009

REPORT BY: HEAD OF FINANCE

REPORT NO: 186-2009

1 PURPOSE OF REPORT

- 1.1 To provide Elected Members with an analysis of the 2008/2009 Projected Revenue Outturn as at 31 January 2009 monitored against the adjusted 2008/2009 Revenue Budget.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Elected Members:
- a note that the overall General Fund 2008/2009 Projected Revenue Outturn as at 31 January 2009 shows an overspend of £545,000 against the adjusted 2008/2009 Revenue Budget.
 - b note that the Housing Revenue Account is projecting an overspend of £105,000 against the adjusted HRA 2008/2009 Revenue Budget.
 - c agree that the Head of Finance will take every reasonable action to ensure that the 2008/2009 Revenue expenditure is below or in line with the adjusted Revenue Budget.
 - d instruct the Head of Finance in conjunction with all Chief Officers of the Council to continue to monitor the Council's 2008/2009 Projected Revenue Outturn.

3 FINANCIAL IMPLICATIONS (see Appendix A)

- 3.1 The overall projected 2008/2009 General Fund Revenue outturn position for the City Council shows an overspend of £545,000 based on the financial information available at 31 January 2009. A system of perpetual detailed monitoring will continue to take place up to 31 March 2009 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2008/2009 Revenue Budget.
- 3.2 The Housing Revenue Account outturn position for 2008/2009 is currently projecting an overspend of £105,000 based on the financial information available for the period to 31 January 2009. This overspend will result in a corresponding transfer from the Renewal and Repair Fund resulting in a projected balance of £625,000 at 31 March 2009. This balance has been fully utilised in setting the 2009/2010 HRA Revenue Budget and rent levels.

4 BACKGROUND

- 4.1 Following approval of the Council's 2008/2009 Revenue Budget by the Special Policy and Resources Committee on 14 February 2008 this report is now submitted in order to monitor the 2008/2009 Projected Revenue Outturn position as at 31 January 2009, against the adjusted 2008/2009 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 GENERAL FUND SERVICES - MONITORING POSITION AS AT 31 JANUARY 2009

5.1 The forecast position as at 31 January 2009 for General Fund services is summarised below:

	<u>Adjusted Budget 2008/09 £000</u>	<u>Forecast 2008/09 £000</u>	<u>Variance £000</u>
Total Expenditure	335,112	335,475	363
Total Income	<u>(335,112)</u>	<u>(334,930)</u>	<u>182</u>
Forecast Overspend	<u>-</u>	<u>545</u>	<u>545</u>

The forecast position as at 31 January 2009 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. These transfers include, where appropriate, provision for the impact of the projected additional pay award that was not previously included in the approved budget.

The following paragraphs summarise the main areas of variance by department along with appropriate explanations.

5.2 It should be emphasised that this report identifies projections based on the first ten months of the financial year to 31 January 2009. The figures are therefore indicative at this stage and are used by the Chief Executive, Head of Finance and Chief Officers to identify variances against budget and enable corrective action to be taken as appropriate.

Departmental Commentary

5.3 **Social Work (£1,943,000 overspend)**

The department are facing a number of cost pressures across all services. The majority of this overspend reflects the significant pressures around adult care including new commissioned services for the resettlement of adults in the community. In addition, these also include an anticipated overspend for family placements, the department's share of the residential schools placement budget and increased payments to other bodies for schemes and care packages for children with disabilities. These are offset by additional non-recurring income, savings in staff costs due to a number of unfilled vacancies and various other savings projected by the department.

5.4 Planning & Transportation (£888,000 overspend)

In Building Quality, 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. In Street Lighting, an overspend in supplies and services is projected due to the increased price of electricity, this is partly offset by increased recharges to outside organisations. In addition, expenditure for Winter Maintenance of roads is projected to be significantly greater than budgeted provision. These variances are partly offset by various underspends and additional income projected by the department.

5.5 Environmental Health & Trading Standards (£230,000 underspend)

The department are projecting savings in staff costs due mainly to the staff restructuring and unfilled vacancies together with additional non-recurring grant income.

5.6 Finance Revenues (£600,000 underspend)

This mainly reflects a projected underspend in staff costs due mainly to unfilled vacancies and various streams of additional income anticipated by the department.

5.7 Capital Financing Costs/Interest on Revenue Balances (£1,600,000 underspend)

The above relates to additional income anticipated from interest on revenue balances and lower than budgeted expenditure on capital financing costs.

5.8 General Revenue Funding (£182,000 income shortfall)

Reflects an anticipated reduction in General Revenue Funding received from Scottish Government following an adjustment to the level of support received for Police loan charges.

6 HOUSING REVENUE ACCOUNT - MONITORING POSITION AS AT 31 JANUARY 2009

6.1 The forecast position as at 31 January 2009 for the Housing Revenue Account is summarised below:

	<u>Adjusted Budget 2008/09 £000</u>	<u>Forecast 2008/09 £000</u>	<u>Variance £000</u>
Total Expenditure	45,618	45,641	23
Total Income	<u>(45,618)</u>	<u>(45,536)</u>	<u>82</u>
Forecast Overspend	_____ -	_____ 105	<u>105</u>

6.2 The department are projecting that additional repairs, maintenance and relets expenditure will be incurred during the year. These variances are partly offset by slippage in the planned maintenance programme together with various underspends in staff costs, other property costs and loan charges. In terms of income, lower than budgeted interest on revenue balances is projected due to a reduction in balances held, this is partly offset by additional rents received. The net overspend of £105,000 will result in a corresponding transfer from the Renewal and Repair Fund resulting in a projected balance of £625,000 at 31 March 2009. This balance has been fully utilised in setting the 2009/2010 HRA Revenue Budget and rent levels.

7 CONCLUSION

As in previous years, the Head of Finance will work with all Chief Officers of the Council to monitor the Council's 2008/2009 Revenue Budget and, through prudent budget management, take every reasonable action to achieve an outturn position below or in line with the approved 2008/2009 Revenue Budget.

8 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.

There are no major issues.

9 CONSULTATIONS

The Chief Executive, Depute Chief Executive (Finance), 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.

10 BACKGROUND PAPERS

None.

**MARJORY M STEWART
HEAD OF FINANCE**

13 MARCH 2009

DUNDEE CITY COUNCIL
2008/2009 REVENUE OUTTURN MONITORING
PERIOD 1 APRIL 2008 - 31 JANUARY 2009

Appendix A

Statement analysing 2008/2009 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
General Fund Departments								
Social Work	75,495	980	76,475	78,418	1,943		1,943	1
Planning & Transportation	7,086	50	7,136	8,024	888		888	2
Education	115,813	399	116,212	116,212				3
Leisure & Communities	22,196	125	22,321	22,321				4
Economic Development	3,215	(6)	3,209	3,209				
Waste Management	15,453	33	15,486	15,486				
Central Support Services								
Chief Executive	1,134	(15)	1,119	1,119				
Personnel	1,561	(125)	1,436	1,436				
Information Technology	5,205	(21)	5,184	5,184				
Support Services - Admin/Legal	3,257	8	3,265	3,265				
- Architects	(469)		(469)	(469)				
Finance General	3,381	49	3,430	3,392		(38)	(38)	5
Other Housing	2,066		2,066	2,066				
Supporting People	12,262		12,262	12,262				
DCS - Land Services Client	2,165		2,165	2,165				
Environmental Health & Trading Stds	3,078	180	3,258	3,028		(230)	(230)	6
Miscellaneous Services								
Chief Executive	374	236	610	610				
Support Services	175	(70)	105	105				
Finance Revenues	3,616	(25)	3,591	2,991		(600)	(600)	7
Dundee CAB	110		110	110				
Contribution to Employment Unit	94		94	94				
	-----	-----	-----	-----	-----	-----	-----	
	277,267	1,798	279,065	281,028	2,831	(868)	1,963	
Miscellaneous Income	(2,824)		(2,824)	(2,824)				
DCS - Contracting Activities	(778)		(778)	(778)				8
Capital Financing Costs /								
Interest on Revenue Balances	23,697		23,697	22,097		(1,600)	(1,600)	9
Contingencies - General	188	(155)	33	33				
Discretionary NDR Relief	147		147	147				
Supplementary Superannuation Costs	1,590	12	1,602	1,602				
Resources t/f from Capital Programme	(1,600)		(1,600)	(1,600)				
	-----	-----	-----	-----	-----	-----	-----	
	297,687	1,655	299,342	299,705	2,831	(2,468)	363	
Joint Boards								
Tayside Joint Police Board	19,667		19,667	19,667				
Tayside Fire & Rescue Board	15,037		15,037	15,037				
Tayside Valuation Joint Board	1,066		1,066	1,066				
	-----	-----	-----	-----	-----	-----	-----	
Total Expenditure	333,457	1,655	335,112	335,475	2,831	(2,468)	363	
Sources of Income								
General Revenue Funding	(221,223)	(219)	(221,442)	(221,260)	182		182	10
Contribution from NNDR Pool	(54,535)		(54,535)	(54,535)				
Council Tax	(55,916)		(55,916)	(55,916)				
Use of Balances -								
Committed Balances c/f	(1,783)	(903)	(2,686)	(2,686)				
Other Balances	0	(315)	(315)	(315)				
Renewal & Repair Fund	0	(218)	(218)	(218)				
	-----	-----	-----	-----	-----	-----	-----	
(Surplus)/Deficit for the year	0	0	0	545	3,013	(2,468)	545	
	=====	=====	=====	=====	=====	=====	=====	
Housing Revenue Account								
	0	105	105	105	NIL	NIL	NIL	
	=====	=====	=====	=====	===	===	===	

REASONS FOR 2008/09 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 31 JANUARY 2009

Appendix B

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>	
<u>Social Work</u>	1	1,943	Departmental	Staff Costs	(300)	Mainly due to the delay in filling staff vacancies.	
				Third Party Payments	(300)	Part year effect of implementation of new staff development/training infrastructure to meet care registration standard.	
					1,592	Reflects significant pressures around Adult Care and the financial impact of new commissioned services for the resettlement of adults in the community.	
					(84)	Part year effect of implementation of initiatives funded from Children and Community Care new monies.	
					(37)	Delays in commissioning an essential needs assessment review of services and client group strategies.	
				Income	(600)	Supporting People funding contribution.	
					(234)	Additional Supporting People grant anticipated for support costs.	
				Children	Property Costs	(20)	Reflects projected underspends in various property expenditure heads including rent, energy and security.
					Third Party Payments	538	Continued pressure of increase in placements made to avoid inappropriate care settings for children and also due to effect of fee increases being greater than budgeted provision.
						1,288	Increased number of looked after children and also increase in the numbers of children requiring permanent substitute care away from their birth parents.
					249	Higher spend anticipated on Community Enabler Scheme and Individual Care Packages for children with disabilities.	
					96	Anticipated additional costs for throughcare and aftercare to support young people leaving care.	
			Older People	Transfer Payments	39	Reflects increased direct assistance payments made to families to alleviate family financial problems in turn reducing pressure within family placement and residential schools resources.	
				Income	76	Shortfall in level of budgeted income currently projected.	
				Property Costs	(36)	Reflects projected underspends in various property expenditure heads including rent, energy and security.	
				Supplies & Services	81	Increased costs of purchase of meals from Tayside Contracts.	
				Transport Costs	(20)	Expenditure on Transport Hire and Travel Mileage are estimated to be lower than budget.	
				Third Party Payments	145	Greater demand for respite care.	
					(15)	Payments made to other bodies are lower than anticipated.	
				13	Increased demand for domiciliary care.		

REASONS FOR 2008/09 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 31 JANUARY 2009

Appendix B

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>			
<u>Social Work</u> (cont'd)	1		Older People	Income	(348)	Higher respite accommodation charges and non recurring clients contribution towards residential accommodation in local authority homes, also additional income from community alarms, lunch clubs and meals partly offset by less than anticipated charging income for home care service.			
			Adults	Property Costs	64	Expenditure for Community Care Admin Offices at Claverhouse and Balmerino Road exceeds current budgetary provision.			
				Supplies & Services	(15)	Catering expenditure is estimated to be lower than budgeted.			
				Third Party Payments	(8)	Higher contribution from Health Board towards the costs of Young Adults Respite service.			
				Income	(167)	This is mainly due to additional supporting people grant from Angus Council to fund client based in Knowelend, also higher respite accommodation charges partly offset by withdrawal of service/contribution from Perth & Kinross Council at Whitetop and from Angus Council at Mackinnon Centre.			
				Welfare Rights/ Contracts / Finance	Third Party Payments	(40)	Reflects reduction in small grants payable to voluntary organisations.		
				Income	(14)	Reflects non-recurring income contributing towards practice learning.			
			<u>Planning & Transportation</u>	2	888	Directorate & Admin	Property	(25)	Reflects refund received for non-domestic rates.
							Income	10	Reflects shortfall in miscellaneous income
						Policy & Regeneration	Staff Costs	(61)	Savings anticipated due to delays in filling of vacant posts.
	Income	(48)				Additional Façade Enhancement Grants Scheme income.			
Building Quality	Staff Costs	(45)				Savings anticipated due to delays in filling of vacant posts.			
	Income	520				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. This is partly offset additional income recharged for public safety.			
Transportation	Staff Costs	(25)				Savings anticipated due to non-filling of vacant posts.			
Sustainable Transport	Property Costs	19				Mainly reflects projected overspend in energy costs.			
	Income	(160)				Additional grant contributions.			
Traffic	Income	(97)				Professional fees are anticipated to be greater than budgeted.			
Road Maintenance	Third Party Payments	(220)	Reflects a reduction in the level of structural and cyclical works being carried out.						
	Income	(29)	Reflects increased income from rechargeable works.						
Winter Maintenance	Third Party Payments	788	Reflects projected overspend in winter maintenance partly offset by recharge to On Street Parking.						

REASONS FOR 2008/09 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 31 JANUARY 2009

Appendix B

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>	
<u>Planning & Transportation</u> (cont'd)	2		Street Lighting	Supplies & Services	286	Reflects increased electricity charges.	
				Third Party Payments	100	Mainly reflects additional work being undertaken for outside organisations.	
				Income	(130)	Reflects increased recharges to outside organisations.	
			Off Street Car Parking	Staff Costs	(72)	Savings anticipated due to non-filling of vacant posts.	
				Property Costs	82	Non-Domestic Rates are projected to be overspent.	
				Supplies & Services	34	Reflects additional security costs incurred for multi storey car parks.	
				Third Party Payments	(20)	Reflects saving projected due to a reduction in signage and lines.	
<u>Education</u>	3	Nil	Departmental	Staff Costs	100	Reflects impact of additional projected pay award.	
				Nursery	Property Costs	46	Reflects projected overspend on health and safety contracts.
				Primary	Property Costs	200	Reflects projected overspend on health and safety contracts.
					133	Expenditure on property repairs and maintenance exceeds current budgetary provision.	
					70	Reflects projected overspend on cleaning supplies.	
				Third Party Payments	(144)	Reflects savings on transition monies	
					(490)	Due to slippage in Unitary charge for new PPP schools.	
			Secondary	Property Costs	250	Reflects projected overspend on health and safety contracts.	
					133	Expenditure on property repairs and maintenance exceeds current budgetary provision.	
					60	Reflects projected overspend on cleaning supplies.	
				Third Party Payments	(150)	Reflects savings on transition monies.	
					(400)	Due to slippage in Unitary charge for new PPP schools.	
			Education Other Than At School	Third Party Payments	192	Projected overspend on residential and secure placements budget.	
<u>Leisure & Communities</u>	4	Nil		Library, Information & Cultural Services	Staff Costs	(29)	Mainly due to staff vacancies at McManus during closure, partly offset by overspends in various other staff costs.
				Property Costs	89	Mainly projected overspend in repairs and maintenance expenditure together with other projected overspends including rates, cleaning supplies, insurance and energy costs.	
			Income	30	Reflects underachievement of chargeable income due to temporary closure of McManus Galleries offset by additional library income.		
<u>Leisure & Communities</u> (cont'd)	4		Community Learning & Development	Property Costs	12	Mainly reflects projected overspend in energy costs.	
				Supplies & Services	(32)	Reflects projected underspends in various overheads.	
				Transport Costs	(18)	Reflects underspends in contract car hire and various other transport costs.	
				Third Party Payments	(107)	Reflects projected underspends on Local Action Fund and Community Safety Award Initiative.	
				Income	(152)	Mainly reflects additional income for Community Safety Wardens not included in budget and increased miscellaneous income.	

REASONS FOR 2008/09 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 31 JANUARY 2009

Appendix B

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>
			Parks, Sport and Leisure	Property Costs	191	Mainly projected overspend in repairs and maintenance expenditure together and payments for upkeep of grounds.
				Supplies & Services	73	Reflects projected overspends for flower shows and maintenance of parks equipment.
				Transport Costs	72	Reflects anticipated overspend on fuel and transport hire costs.
				Income	(144)	Mainly reflects increased income from events and courses.
			Business Development & Support Services	Staff Costs	25	Mainly due to staff slippage not being achieved.
<u>Finance General</u>	5	(38)	General	Staff Costs	(93)	Mainly savings anticipated due to non-filling of vacant posts.
				Supplies & Services	45	Reflects projected overspend on consultancy costs relating to Resourcelink and commission payable relating to income collection.
				Transport Costs	9	Reflects projected overspends in car allowances and other transport costs.
				Third Party Payments	(14)	Reflects saving in external audit fee, partly offset by payments to procurement buying consortium that were not included in budget.
				Income	15	Mainly reflects projected shortfall in recharges to outside bodies.
<u>Env Health & Trading Standards</u>	6	(230)	Regulation	Staff	(199)	Staff costs are projected to be underspent mainly due to a combination of unfilled vacancies, long term sick and maternity leave together with further savings projected following a staff restructuring exercise. These variances are partly offset by additional projected pay award.
				Income	(95)	Mainly reflects additional non-recurring grant income not budgeted for.
			Pest & Animal Control	Transport Costs	13	Reflects increased expenditure on leasing for new vehicles.
				Third Party Payments	13	Reflects increased kennelling fees.
				Income	32	Mainly shortfall in pest control charges partly offset by other miscellaneous income.

REASONS FOR 2008/09 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES
(Excludes Capital Charges, Central Support Services & Office Recharges)
AT 31 JANUARY 2009

Appendix B

<u>Department</u>	<u>Note</u>	<u>Total Variance £000</u>	<u>Cost Centre</u>	<u>Subjective Analysis</u>	<u>Breakdown of Variance £000</u>	<u>Reason / Basis of Over/(Under)spend</u>
<u>Finance Revenues</u>	7	(600)	Revenues	Staff	(400)	Projected underspend due to unfilled vacancies, long-term sick and maternity leave partly offset by projected additional pay award.
				Income	(200)	Reflects increased income from departments for collection of rents and other charges at City Square office together with additional income from recharge of diligence and legal fees relating to collection of unpaid accounts. This is partly offset by shortfall in miscellaneous income.
<u>DCS - Contracting Activities & Land Services</u>	8	Nil	Contracting Activities	Various	(40)	Contracting Activities are projecting they will achieve a greater than budgeted surplus due to various efficiency savings being achieved.
				Land Services	Income	40
<u>Capital Financing Costs/IORB</u>	9	(1,600)	Capital Financing Costs/IORB		(1,600)	Additional income projected from interest on revenue balances and lower than budgeted expenditure on capital financing costs.
<u>General Revenue Funding</u>	10	182	General Revenue Funding		182	Reflects anticipated shortfall in GRF following Police Loan Charges Support redetermination.

Appendix C

	<u>2007/08</u>	<u>2007/08</u>	<u>2007/08</u>					
	<u>Alloc</u>	<u>Under</u>	<u>Quality of</u>	<u>Funding</u>	<u>Alloc from</u>	<u>Transfers</u>	<u>Other</u>	<u>Dept</u>
<u>General Fund Departments</u>	<u>From</u>	<u>spends</u>	<u>Life</u>	<u>T/Fs</u>	<u>R&R Fund</u>	<u>Between</u>	<u>Transfers</u>	<u>Totals</u>
	<u>Conts</u>	<u>b/fwd</u>	<u>Brought</u>	<u>£000</u>	<u>£000</u>	<u>Depts</u>	<u>£000</u>	<u>£000</u>
	<u>£000</u>	<u>£000</u>	<u>Forward</u>			<u>£000</u>		<u>£000</u>
			<u>£000</u>					
<u>MS - Finance Revenues</u>								
1. Industrial Action Savings							(25)	(25)
<u>General Contingency</u>								
1. Transfer to Social Work	(450)							
2. Transfer from Other Balances							315	
3. Transfer to Finance General	(53)							
4. Transfers from Various Departments							445	
5. T/fs to departments for additional pay award						(400)		
6. Transfer to Social Work	(12)							(155)
<u>Supplementary Superannuation Costs</u>								
1. Transfer from Chief Executive for Staff Restructuring							12	12
Total Adjustments (General Fund)	0	782	121	219	218	0	315	1,655
<u>Housing Revenue Account</u>								
1. T/f projected overspend from R&R Fund						105		105
Total Adjustments (HRA)	0	0	0	0	0	105	0	105

REPORT TO: POLICY & RESOURCES COMMITTEE - 23 MARCH 2009

REPORT ON: CAPITAL EXPENDITURE MONITORING 2008/09

REPORT BY: HEAD OF FINANCE

REPORT NO: 146-2009

1 PURPOSE OF REPORT

1.1 To appraise Elected Members of the latest position regarding the Council's Capital Expenditure programme for 2008/09.

2 RECOMMENDATION

2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Expenditure programme for 2008/09.

3 FINANCIAL IMPLICATIONS

3.1 This report shows the latest projections on capital projects along with actual spend to 31 January 2009.

	General Services Capital 2008/09 £000	Housing HRA Capital 2008/09 £000
Approved Budget	41,999	21,320
Budget Adjustments	<u>(17,959)</u>	<u>-</u>
Revised Budget	<u>24,040</u>	<u>21,320</u>
Projected Outturn	<u>24,031</u>	<u>16,476</u>
Variance over/(under) Budget	<u>(9)</u>	<u>(4,844)</u>
Actual Spend to 31 January 2009	<u>15,167</u>	<u>12,941</u>

An explanation of the major variances since the previous month's capital monitoring statement 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 31 January 2009 were 63% and 79% respectively, compared with 73% and 61% respectively for the comparable period to 31st January 2008.

4 BACKGROUND

4.1 The Special Policy & Resources Committee of 14 February 2008 approved the 2008/09 Capital Budget for General Services (Report 87-2008). The Capital Plan 2009-2012 was approved at the Special Policy & Resources Committee of 12 February 2009. The Capital Monitoring reflects the changes to 2008/09 as contained within the Capital Plan. The Housing HRA Capital Programme 2008/09 was approved at the Policy & Resources Committee on 23 June 2008 (Report 317-2008). 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 2008/09 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 reduction to the Revised Budget of £1.899m since the previous month's capital monitoring statement. The main reasons for this are detailed below.

- 5.1.1 Reduction in expenditure of £300,000 on Regional Transport Partnership (Planning & Transportation). This Budget is required to finance works at the Swallow Roundabout in future years.
- 5.1.2 Reduction in expenditure of £130,000 on Office Accommodation (Economic Development). The various projects involved will only incur design fees this financial year with the works being carried out in 2009/10.
- 5.1.3 Reduction in expenditure of £1,249,000 on the Acquisition of Land & Buildings (Economic Development). This is due to delays in acquiring various sites. This expenditure will be required in 2009/10.
- 5.1.4 Reduction in expenditure of £390,000 on Health & Safety (Chief Executive) as a result of a rephasing of projected expenditure. This expenditure will be required in 2009/10.
- 5.1.5 Reduction in expenditure of £478,000 on Purchase of Vehicles and Equipment (Waste Management). This is due to four Dennis Pheonix Refuse Collection Vehicles not now being delivered until next financial year.
- 5.1.6 Additional expenditure of £271,000 on Telephony & Data Network Upgrade (Chief Executive). The upgrade of the telephone network is being carried out over the next three years and will be funded from Prudential Borrowing.
- 5.1.7 Additional expenditure of £250,000 on PPP Contract Variations (Education). This expenditure is outwith the agreed contract sums for Phases 1 & 2 of the Contract. This additional expenditure will be funded from borrowing.

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	11,730	(99)	11,631	11,631	-
Capital Receipts/Capital Fund	4,383	(4,383)	-	-	-
Capital Financed from Current Revenue	-	100	100	100	-
Borrowing	<u>25,886</u>	<u>(13,577)</u>	<u>12,309</u>	<u>12,300</u>	<u>(9)</u>
	<u>41,999</u>	<u>(17,959)</u>	<u>24,040</u>	<u>24,031</u>	<u>(9)</u>

5.2.2 The decrease of £2.362m in the revised budget for borrowing, since the previous month's capital monitoring is due to the reasons as detailed in paras 5.1.1 to 5.1.7.

5.2.3 The increase in General Capital Grant of £363,000, since last month's capital monitoring is due to the award of Local Regeneration funding (£132,000) and acceleration of the General Capital Grant from 2010/11 into 2008/09 (£231,000) An amount of £2.080m has also been accelerated from 2010/11 into 2009/10 and this is reflected in the figures below.

5.2.3 The table below shows the effect of any changes in 2008/09 on future year's capital expenditure and resources. This includes new projects introduced in the Capital Plan 2009-2012, as approved at Special Policy & Resources Committee on 12 February 2009.

	2008/09 £000	2009/10 £000	2010/11 £000
Capital Expenditure			
Approved Budget per Capital Plan 2008-2011	41,999	55,881	35,033
Variances Per Latest Monitoring (per Appendix 3)	<u>(17,959)</u>	<u>(4,384)</u>	<u>49,548</u>
Revised Budget	<u>24,040</u>	<u>51,497</u>	<u>84,581</u>
Capital Resources			
General Capital Grant	11,631	13,726	11,207
Capital Receipts/Capital Fund	-	3,768	11,219
Capital Financed from Current Revenue	100	450	450
Borrowing	<u>12,309</u>	<u>33,553</u>	<u>61,705</u>
	<u>24,040</u>	<u>51,497</u>	<u>84,581</u>

6 HOUSING HRA - CURRENT POSITION

6.1 Appendix 2 details the actual spend and the latest projected outturns for all projects, detailed by sections. 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 decrease of £647,000 in projected expenditure since the previous month's Capital Monitoring Statement. The main reasons for this are detailed below.

6.2.1 Reduction in expenditure of £340,000 on Energy Efficiency - Heating, Kitchens and Bathrooms due to houses being deleted from the programmes as well as reassessment of requirements and also slippage into 2009/10.

- 6.2.2 Reduction in expenditure of £529,000 on Modern Facilities and Services Kitchens and Bathrooms due to a number of revisions to programmes as well as slippage into 2009/10.
- 6.2.3 Increase in expenditure of £115,000 on Disabled Adaptations due to additional expenditure requirements.
- 6.3 The latest projection on capital resources shows a net decrease of £266,000 since the previous month's Capital Monitoring Statement. This is due to a reduction in the level of Council House Sales expected in this financial year.

7 **POLICY IMPLICATIONS**

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

There are no major issues.

8 **CONSULTATION**

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

9 **BACKGROUND PAPERS**

- 9.1 None

MARJORY M STEWART

HEAD OF FINANCE

16 MARCH 2009

	<u>Approved</u>			<u>Carryforward into Future Years</u>	<u>Virements</u>	<u>Total Budget Adjustments</u>	<u>Revised</u>		<u>Actual Spend 31 Dec 2008</u>	<u>Actual Spend 31 Jan 2009</u>	<u>Projected Outturn 2008/09</u>	<u>Variance</u>	<u>Spend as a % of Projected Outturn</u>
	<u>Capital Budget 2008/09</u>	<u>Slippage from 2007/08</u>	<u>Budget Adjust £000</u>				<u>£000</u>	<u>£000</u>					
GENERAL SERVICES													
<u>Capital Expenditure 2008/09</u>													
Education	7,499	795	250	(3,548)		(2,503)	4,996	3,216	3,472	4,996	0	69%	
Social Work	1,000	282		(893)		(611)	389	200	261	389	0	67%	
Planning & Transportation	4,295		744	(972)	100	(128)	4,167	2,022	2,250	4,173	6	54%	
Leisure & Communities	10,656	1,146	19	(7,317)	177	(5,975)	4,681	3,373	3,385	4,681	0	72%	
Economic Development	7,797	2,070	2,071	(6,626)	232	(2,253)	5,544	3,889	4,173	5,542	(2)	75%	
Waste Management	3,726	335		(2,498)		(2,163)	1,563	505	641	1,563	0	41%	
Environmental Health & Trading Standards / Scientific Services	258	64			55	119	377	191	191	377	0	51%	
Chief Executive / Support Services/Finance	6,218	596	271	(4,728)	(564)	(4,425)	1,793	517	643	1,793	0	36%	
Dundee Contract Services - Client & Contractor	550	150	(170)			(20)	530	89	151	517	(13)	29%	
Community Regeneration	0	532	(532)			0	0	0	0	0	0	0%	
Capital Expenditure 2008/09	41,999	5,970	2,653	(26,582)	0	(17,959)	24,040	14,002	15,167	24,031	(9)	63%	
<u>Capital Resources 2008/09</u>													
Expenditure Funded from Borrowing	25,886	4,965	875	(21,645)	2,228	(13,577)	12,309	6,042	3,517	12,300			
Capital Grants:-	11,730		(99)			(99)	11,631	6,360	10,050	11,631			
Capital Funded from Current Revenue			100			100	100			100			
Capital Receipts:-													
Net Asset Sales	5,983	1,005	1,777	(4,937)	(2,228)	(4,383)	1,600	1,600	1,600	1,600			
Capital Fund transfer for Revenue Purposes	(1,600)					0	(1,600)			(1,600)			
Capital Resources 2008/09	41,999	5,970	2,653	(26,582)	0	(17,959)	24,040	14,002	15,167	24,031			
Capital Expenditure as % of Capital Resources	100%						100%			100%			

	<u>Approved</u>			<u>Carryforward</u>		<u>Revised</u>			<u>Projected</u>		<u>Spend as</u>	
	<u>Capital</u>	<u>Slippage</u>	<u>Budget</u>	<u>into</u>	<u>Total</u>	<u>Capital</u>	<u>Actual</u>	<u>Actual</u>	<u>Outturn</u>	<u>Variance</u>	<u>a % of</u>	
	<u>Budget</u>	<u>from</u>	<u>Adjust</u>	<u>Future Years</u>	<u>Virements</u>	<u>Budget</u>	<u>Spend</u>	<u>Spend</u>	<u>2008/09</u>	<u>£000</u>	<u>Projected</u>	
	<u>2008/09</u>	<u>2007/08</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>2008/09</u>	<u>31 Dec 2008</u>	<u>31 Jan 2009</u>	<u>2008/09</u>	<u>£000</u>	<u>Outturn</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
HOUSING HRA												
<u>Capital Expenditure 2008/09</u>												
Free from Serious Disrepair - Roofs	2,612					0	2,612	1,731	1,778	2,262	(350)	71%
Free from Serious Disrepair - Roughcast	1,103					0	1,103	62	64	74	(1,029)	
Free from Serious Disrepair - Access Decks	50					0	50	0	0	3	(47)	
Free from Serious Disrepair - Windows	85					0	85	45	46	50	(35)	44%
Energy Efficient - External Insulation and Cavity Fill	635					0	635	0	0	0	(635)	
Energy Efficient - Heating, Kitchens and Bathrooms	7,814					0	7,814	5,015	5,503	7,713	(101)	57%
Modern Facilities & Services - Kitchens and Bathrooms only	4,515					0	4,515	2,233	2,621	3,563	(952)	51%
Modern Facilities & Services - Individual Shower Programme	100					0	100	82	102	202	102	39%
Healthy, Safe & Secure - Smoke Detectors	75					0	75	0	0	8	(67)	
Healthy, Safe & Secure - Common Stairs/Lifts	50					0	50	28	28	30	(20)	93%
Healthy, Safe & Secure - Security Lighting	50					0	50	0	0	0	(50)	
Healthy, Safe & Secure - Periodic Inspection Pilot	75					0	75	0	0	0	(75)	
Healthy, Safe & Secure - Controlled Entry	1,000					0	1,000	176	177	265	(735)	45%
Increase Supply of Council Housing - Mainstream Housing	2,650					0	2,650	2,363	2,365	2,365	(285)	100%
Increase Supply of Council Housing - Housing for Disabled	316					0	316	0	0	0	(316)	
General Fees	133					0	133	0	0	0	(133)	
Disabled Adaptions	645					0	645	436	633	790	145	52%
Housing Office - East Area Office	25					0	25	32	33	35	10	89%
Owners Receipts	(613)					0	(613)	(198)	(409)	(884)	(271)	21%
Capital Expenditure 2008/09	21,320	0	0	0	0	0	21,320	12,005	12,941	16,476	(4,844)	79%
<u>Capital Resources 2008/09</u>												
Expenditure Funded from Borrowing	11,149					0	11,149	8,569	9,204	12,149		
Capital Receipts:- Council House / New Build Sales	5,040					0	5,040	3,218	3,506	4,094		
Land Sales	2,350					0	2,350	218	231	233		
Capital Expenditure as % of Capital Resources	115%					0	115%			100%		

EDUCATION CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outcome 2008/09 £'000
Covenant Repayment - Morgan Academy	49					0	49	0	0	49
Structural Improvements	90					0	90	34	34	90
Kitchen Improvements	25				97	97	122	94	103	122
Replacement Heating Systems	315				155	155	470	371	386	470
Roof Coverings	100				(16)	(16)	84	9	10	84
Computers	655					0	655	569	574	655
General Improvements & Upgrades	220				(31)	(31)	189	111	116	189
Menzieshill HS - Joint Project					33	33	33	18	24	33
Window Replacement	145				4	4	149	95	95	149
Vehicles (incl Add Monies)	25				42	42	67	67	67	67
Electrical Upgrades	225				(54)	(54)	171	142	145	171
Kingspark	4,950	100		(3,900)		(3,800)	1,150	395	581	1150
(Less Contributions)	(1,000)			1,000		1,000	0			0
Furniture for PPP Schools	1,700	257		(648)		(391)	1,309	1,279	1,304	1309
PPP Contract Variations			250			250	250			250
Cladding						0	0	(12)	(12)	0
Mollison Street - Balance		16				16	16			16
Mossgiel - Balance		28				28	28			28
Other Balances		394			(230)	164	164	44	46	164
Education Total	7,499	795	250	(3,548)	0	(2,503)	4,996	3,216	3,472	4,996

SOCIAL WORK CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Property Upgrades	50	209				209	259	131	174	259
Replacement of Residential Unit for Younger People - Strathcarron Place	950	73		(893)		(820)	130	69	87	130
Social Work Total	1,000	282	0	(893)	0	(611)	389	200	261	389

PLANNING & TRANSPORTATION CAPITAL MONITORING 2008/9

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outcome 2008/09 £'000
20MPH 2007-08			262		50	312	312	159	159	312
(Less Capital Grant 20mph 2007-08)			(262)			(262)	(262)	(262)	(262)	(262)
(Less Capital Grant CWSS)					(15)	(15)	(15)			(15)
(Less Capital Grant VDLF)					(9)	(9)	(9)			(9)
Road Safety Measures (Qol T Claming)	180					0	180	1	1	180
Pedestrian Crossings / Traffic Lights	50		24		20	44	94	29	69	94
(Less Sustran Funding)			(24)			(24)	(24)	(24)	(24)	(24)
Footpaths	513					0	513	356	418	513
Albert Square Environmental Improvements	385		193	(97)	(50)	46	431	280	280	431
(Less SET Funding)	(50)		(3)			(3)	(53)	(53)	(53)	(53)
(Less ERDF Funding)			(58)			(58)	(58)	9	9	(58)
Commercial Street / Murraygate										2
Central Area & Other Projects (inc. Cultural Qtr)	100		(29)		30	1	101	4	4	101
(Less SET Funding)	(50)		50			50	0			0
(Less DHET Funding)			(21)			(21)	(21)		0	(21)
Hilltown Community Regeneration	100		50		30	80	180	67	78	181
(Less Fairer Scotland Funding)			(50)			(50)	(50)	(50)	(50)	(50)
Baldovan Terrace -ERDF								2	2	0
Stobswell					20	20	20	23	23	23
Lochee Community Regeneration	50					0	50	3	4	50
Union Street Carraigeway and Footpath	770		(400)	(370)		(770)	0	0	0	0
(Less SET Funding)	(400)		400			400	0	0		0
Street Lighting Renewal	285		27			27	312	273	278	312
(Less Fairer Scotland Funding)			(27)			(27)	(27)	(27)	(28)	(27)
Road Reconstruction / Recycling	1,375					0	1,375	865	957	1,375
Bridge Assessment & Work Programme	40			(35)		(35)	5	5	5	5
Regional Transport Partnership	947			(300)	(126)	(426)	521	42	50	521
Bus Shelters			192	(50)		142	142	0	1	142
Coastal Protection Works - Stannergate - Douglas			320			320	320	240	240	320
Coastal Protection Works - Consultant's Fees				(120)	150	30	30	2	10	30
Coastal P W - Grassey Beach L5					100	100	100			100
Dykes Of Gray			193		(100)	93	93	78	79	93
(Less Developer's Contributions)			(193)			(193)	(193)			(193)
Allan Street Car Park			100			100	100			100
Planning & Transportation Total	4,295	0	744	(972)	100	(128)	4,167	2,022	2,250	4,173

LEISURE & COMMUNITIES CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outcome 2008/09 £'000
McManus Galleries Restoration & Dev Project	4,046	622	(891)		130	(139)	3,907	2,603	2,837	3,907
(Less Heritage Lottery Funding)	(1,680)		609			609	(1,071)	(320)	(320)	(1,071)
(Less Historic Scotland)	(55)		11		(9)	2	(53)	(43)	(43)	(53)
(Less ERDF Funding)	(282)		193			193	(89)	(36)	(36)	(89)
(Less Central Energy Efficiency Funding)	(238)		78			78	(160)	(160)	(160)	(160)
Baxter Park	0	64	15			79	79	32	32	79
(Less Heritage Lottery Funding)			(15)			(15)	(15)	310	(15)	(15)
Leisure Centre Improvements	100	48				48	148	49	77	148
Parks / Master Plan	135	162			21	183	318	128	133	318
New Swimming Pool	1,500			(1,000)		(1,000)	500	165	175	500
Wildlife Centre Development Plan	230			(230)		(230)	0	3	0	0
Camperdown Country Park - Development Plan	10	40			35	75	85	43	59	85
Cemeteries	70	30				30	100	0	0	100
New Cemetery Extension	5,015	22		(5,037)		(5,015)	0	0	0	0
DCA	39		84		31	115	154	122	122	154
(Less DCA Contribution)			(65)			(65)	(65)	(20)	(60)	(65)
Path for All	50				0	0	50	28	29	50
(Less CWSS Capital Grant)					0	0	0	(30)	0	0
Libraries	50	7				7	57	5	8	57
Neighbourhood Centres	85	67			49	116	201	148	158	201
Purchase of Vehicles & Equipment	121				(21)	(21)	100	40	40	100
Caird Hall	30				(25)	(25)	5	2	2	5
Roof Upgrades	120	38			(38)	0	120	141	143	120
Heating & Ventilation	180	12			(1)	11	191	105	106	191
Window Replacement	30				(11)	(11)	19	10	10	19
Health & Safety/Disabled Access		34			16	50	50	48	48	50
Camperdown Development	1,100			(1,050)		(1,050)	50	0	40	50
Leisure & Communities Total	10,656	1,146	19	(7,317)	177	(5,975)	4,681	3,373	3,385	4,681

ECONOMIC DEVELOPMENT CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f per 2009/12 Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Acquisition of Land / Buildings	250	1,598		(1,249)		349	599	179	179	599
Industrial Estates Improvements	175	195		(179)	(156)	(140)	35	18	18	35
ERDF Linlathen Site Servicing						0	0	(6)	(6)	(6)
Technopole - 17-19 Annfield Rd - Post-Demolition			87		26	113	113	95	95	113
ERDF Grants: 17-19 Annfield Rd - Post-Demolition			(87)			(87)	(87)	0	0	(87)
Unit F, 207 Strathmartine Road					35	35	35	(2)	(2)	35
Loans & Grants / Business Support	180				(180)	(180)	0	11	11	0
Tayside House - Pooled Property Payment	175					0	175	175	175	175
Dundee House	5,440	7		(4,433)		(4,426)	1,014	616	640	1,014
Office Accommodation:	800	9		(515)	(200)	(706)	94	84	84	94
Office Accommodation: Downfield PS					200	200	200	20	35	200
City Square - Upgrade / Weatherproof Windows	245	75			(320)	(245)	0	0	0	0
City Square - Heating Replacement					45	45	45	37	37	45
City Square - Underground Garage					103	103	103	103	103	103
City Square - Toilets & Caretakers' Office					75	75	75	1	1	75
City Square - Boiler					20	20	20	20	20	20
City Square - Caird Hall Roofs					167	167	167	0	0	167
City Square - Alterations to 7 Castle Street					135	135	135		121	135
King Street - Roof Upgrade					0	0	0	0	0	0
Shopping Parade Improvements	150			(50)	(70)	(120)	30	0	0	30
Demolitions on Surplus Properties: 98 Logie St	60				(40)	(40)	20	17	17	20
Demolitions on Surplus Properties: Old Douglas PS			86			86	86	70	70	86
Demolitions on Surplus Properties: 7 Duncan Place					31	31	31	12	35	35
Demolitions on Surplus Properties: 20b Mains Loan					53	53	53	4	13	53
Demolitions on Surplus Properties: 4 Lothian Cres.					41	41	41	4	38	41
Demolitions on Surplus Properties: St Margaret's PS			85			85	85	3	4	85
Demolitions on Surplus Properties: J. Brougham Hse					114	114	114	3	5	114
Demolitions on Surplus Properties: Kirkton NS, C&F Centre					83	83	83	3	4	83
Demolitions on Surplus Properties: Bellfield NS						0	0	0	0	0
Demolitions on Surplus Properties: Downfield PS Infants Annexe			26			26	26	0	1	26
Demolitions on Surplus Properties: Menzieshill House						0	0	0	0	0
City Square - Induction Loops		8				8	8	0	0	8
Plant & Equipment Acquisition			1,900			1,900	1,900	1,900	1,900	1,900
CIP - Estates Servicing East & West		200		(200)	5	5	5	0	5	5
Unit T - Joint Equipment Store		26	(26)			0	0	0	0	0
						0	0	(4)	(4)	0
Unit G Records Storage Facility	322	(48)				(48)	274	202	243	274
Gardyne's Land						0	0	22	30	0
Gardyne's Land - ERDF Grants						0	0	87	87	0
Gardyne's Land - Heritage Lottery Fund						0	0	150	150	0
Claverhouse Access Road - Repay ERDF grant					65	65	65	65	65	65
Economic Development Total	7,797	2,070	2,071	(6,626)	232	(2,253)	5,544	3,889	4,173	5,542

WASTE MANAGEMENT CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Purchase of Wheeled Bins	260				(60)	(60)	200	1	1	200
Baldovie Redevelopment	120				(75)	(75)	45	5	34	45
Riverside Landfill Site	80	55			(90)	(35)	45	30	34	45
Purchase of Skips	30	30			(60)	(30)	0	0	0	0
Waste Management Property	210				(50)	(50)	160	22	24	160
Purchase of Vehicles & Equipment	600	250	145	(478)	541	458	1,058	448	549	1058
(Less Sale of Land Gore)			(145)			(145)	(145)	0	0	(145)
Marchbanks Redevelopment	2,220			(2,020)		(2,020)	200	(1)	(1)	200
Recycling Initiatives	206				(206)	(206)	0	0	0	0
Waste Management Total	3,726	335	0	(2,498)	0	(2,163)	1,563	505	641	1,563

ENVIRONMENTAL HEALTH & TS/SS CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Air Quality Monitoring Equipment	8					0	8	0	0	8
Contaminated Land	142					0	142	0	0	142
Contaminated Land Grant Kilspindie								0	0	0
Brown Street Kennels	108	60			20	80	188	182	182	188
Scientific Services	0	4			35	39	39	9	9	39
Environmental Health & TS/SS Total	258	64	0	0	55	119	377	191	191	377

CHIEF EXECUTIVE/SUPPORT SERVICES/FINANCE CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 32/01/2009 £'000	Projected Outturn 2008/09 £000
Cities Growth Fund 2008/09	4,338		(4,338)			(4,338)	0			0
Cities Growth Fund 2007/08			1,412			1,412	1,412	881	1,100	1,412
(Less Cities Growth Fund Grant c/f)			(1,407)			(1,407)	(1,407)	(876)	(1,095)	(1,407)
(Less TACTRAN - Seabraes Ped Link)			(5)			(5)	(5)	(5)	(5)	(5)
Derelict Land Fund 8/9	2,000	50	(250)	(1,230)		(1,430)	570	5	11	570
(Less Scottish Government Capital Grant)	(2,000)		250	1,230		1,480	(520)	(5)	(11)	(520)
Derelict Land Fund 7/8				(63)	410	347	347	214	206	347
(Less Scottish Government Capital Grant)				63	(410)	(347)	(347)	(410)	(206)	(347)
Cycling Walking Safer Streets	249		40		0	40	289	7	10	289
(Less Scottish Government Grant funding)	(249)				0	0	(249)			(249)
(Less SUSTRAN Funding)			(40)			(40)	(40)			(40)
Unadopted Footpaths	500					0	500	284	184	500
Disabled Access	80	64			(41)	23	103			103
ICT Strategy	70					0	70	13	13	70
Health & Safety Works	500	425		(390)	(483)	(448)	52			52
Energy Management	30					0	30			30
Purchase of Computer Equipment	700					0	700	409	436	700
Second Secure Computer Room		17				17	17			17
Underground Toilets		40			(40)	0	0			0
Telephony & Network Upgrade			271			271	271			271
	6,218	596	(4,067)	(390)	(564)	(4,425)	1,793	517	643	1,793

DUNDEE CONTRACT SERVICES CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Client - Public Open Spaces	50					0	50		2	50
Client - Playground Improvements	50					0	50			50
Land Services- Purchase of Plant, Machinery & Vehicles	200					0	200	102	136	200
(Less Capital Receipts sale of vehicles)								(13)	(13)	(13)
Contractor - Purchase of Plant, Machinery & Vehicles	250	150	(100)	(70)		(20)	230		26	230
Dundee Contract Services Total	550	150	(100)	(70)	0	(20)	530	89	151	517

COMMUNITY REGENERATION CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Workspace/AVT		28	(28)			0	0			0
Public Art in Ardler		3	(3)			0	0			0
Shop Compensation/Acquisition		501	(501)			0	0			0
Community Regeneration Total	0	532	(532)	0	0	0	0	0	0	0

HOUSING HRA CAPITAL MONITORING 2008/09

Nature of Expenditure	Approved Budget 2008/09 £'000	2007/08 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2008/09 £'000	Expenditure to 31/12/2008 £'000	Expenditure to 31/01/2009 £'000	Projected Outturn 2008/09 £000
Free From Serious Disrepair										
Roof Replacement	2,612					0	2,612	1,731	1,778	2,262
Roughcast Renewal	1,103					0	1,103	62	64	74
Access Decks	50					0	50	0	0	3
Windows	85					0	85	45	46	50
Energy Efficiency										
Insulation and Cavity	635					0	635	0	0	0
Heating, Kitchens and Bathrooms & Showers	7,814					0	7,814	5,015	5,503	7,713
Modern Facilities and Services										
Kitchens and Bathrooms and Showers	4,515					0	4,515	2,233	2,621	3,563
Individual Shower Programme	100					0	100	82	102	202
Healthy, Safe and Secure										
Fire Detection	75					0	75	0	0	8
Common Stairs / Lifts	50					0	50	28	28	30
Security Lighting	50					0	50	0	0	0
Periodic Inspection Pilot	75					0	75	0	0	0
Controlled Entry	1,000					0	1,000	176	177	265
Increase Supply of Council Housing										
Mainstream Housing	2,650					0	2,650	2,363	2,365	2,365
Housing for Disabled	316					0	316	0	0	0
Miscellaneous										
Fees	133					0	133	0	0	0
Disabled Adaptations	645					0	645	436	633	790
East Area Office	25					0	25	32	33	35
Owner Receipts	(613)					0	(613)	(198)	(409)	(884)
Housing HRA Total	21,320	0	0	0	0	0	21,320	12,005	12,941	16,476

CAPITAL MONITORING 2008/09**Summary of Changes to Approved Budget 2008/09**

(and effect on future years)

	Adjustment			
	2008/09	2009/10	2010/11	2011/12
Adjustments:				
Education				
Carryforward from 2007/08	795			
Kingspark Special School - rephasing of expenditure	(2,900)	(4,550)	7,238	212
PPP Furniture - rephasing of expenditure	(648)	648		
Barnhill - Rephasing of expenditure			(250)	250
Whitfield Area Primary School (net of contributions)		400	6,350	3,935
Lochee Area Primary School		200	7,070	2,150
West End Primary School		200	7,700	2,400
PPP Contract Variations	250			
Social Work				
Carryforward from 2007/08	282			
Strathcarron House - rephasing of expenditure	(637)		36	
Strathcarron House - rephasing of expenditure	(256)	256		
Seymour Lodge		30	870	
Planning & Transportation				
Bus Shelters (Approved by Policy and Resources Cttee)	192			
Coastal Protection Works - Stannergate to Douglas Terrace (Approved by Policy and Resources Cttee)	320			
Coastal Protection Works (vired from Chief Executive, H & S)	150			
Albert Square - (Vired to McManus Galleries)	(50)	50		
Albert Sq - Rephasing of expenditure	(97)	97		
Union St Carriageway Works - Rephasing of expenditure	(370)	370		
Bus Shelters - Rephasing of expenditure	(50)	50		
Coastal Protection Consultant's Fees - Rephasing of expenditure	(120)	290	400	230
Footpaths				200
Allan Street Car Park	100	450	450	5,850
Regional Transport Partnership	(300)	300		
Bridge Assessment & Work Programme	(35)	35		
Albert Square - additional funding Local Regeneration Monies	132			
Leisure & Communities				
Carryforward from 2007/08	1,146			
Allan Street Swimming Pool	(1,000)	(1,650)	350	2,300
Campdown Development	(1,050)	1,020	30	
Clatto Barns (Vired from Chief Executive, Health and Safety)	40			
Castle Green (Vired from Chief Executive, Disabled Access)	41			
DCA (Vired from Chief Executive, Health & Safety)	31			
DCA (Budget brought forward from 9/10)	19	(19)		
New Cemetery carried forward to 10/11	(5,037)		5,037	
McManus Galleries (Vired from Albert Square)	50			
McManus Galleries (net of additional contributions)		350		
Allan Street Swimming Pool - rephasing of expenditure		(2,400)	242	4,158
Wildlife Centre Development Plan	(230)	230		
New Cemetery - revised project		2,784	5,037	
Baxter Park Toilets Vired from Chief Executive, Health & Safety)	15			
Economic Development				
Carryforward from 2007/08	2,070			
Acquisition of Plant & Equipment (Approved by Policy and Resources Cttee)	1,900			
Office Accommodation - rephasing of expenditure	(200)	200		
City Square Boiler (Vired from Chief Executive, Health and Safety)	20			
Demolition Surplus Properties - Douglas PS	86			
Joint Equipment Store - Removal Budget	(26)			
Underground Toilets (Vired from Chief Executive's, Health & Safety)	75			
Caird Hall Roof (Vired from Chief Executive's, Health & Safety)	137			
Dundee House - rephasing of expenditure	(4,433)	(6,616)	11,049	
Demolition of Surplus Properties - Downfield PS - Infant Annex	26			
Demolition of Surplus Properties - St Margaret's PS	85			
Office Accommodation - rephasing of expenditure	(185)	(2,840)	1,245	
Industrial Estate Improvements	(179)	179		
CIP Industrial Estates - East & West	(200)	200		
Shopping Parades	(50)	50		
Office Accommodation - rephasing of expenditure	(130)	130		
Acquisition Land & Buildings - carryforward into 9/10	(1,249)	1,249		
Waste Management				
Carryforward from 2007/08	335			
Marchbanks Redevelopment	(2,020)	2,020		
Purchase of Vehicles & Equipment	(478)	478		
Environmental Health, Scientific Services & Trading Standards				
Carryforward from 2007/08	64			
New Labs (Vired from Chief Executive, Health and Safety)	30			
Brown Street Kennels (vired from Chief Executive, Health and Safety)	20			
New Labs (Vired from Chief Executive, Health and Safety)	5			
Chief Executive				
Carryforward from 2007/08	546			
Carryforward from 2007/08 - VDLP	50			
Health & Safety - Clatto Barns	(40)			
Disabled Access - Castle Green	(41)			
Health & Safety - Coastal Protection	(150)			
Health & Safety - City Square Boiler	(20)			
Cities Growth Fund Rephasing	(4,338)		3,000	1,338
Health & Safety - Scientific Services New Laboratories	(30)			
Health & Safety - DCA	(31)			
Health & Safety - Brown Street Kennels	(20)			
Health & Safety - Underground Toilets	(75)			
Health & Safety - Caird Hall Roof	(137)			
Telephony & Network Upgrade	271	324	128	
Finance Revenues Print Unit		40	40	
Health & Safety - Baxter Park Toilets	(15)			
Health & Saafety - slippage	(390)	390		
Health & Safety - Scientific Services New Laboratories	(5)			
Dundee Contract Services - Contractor				
Carryforward from 2007/08	150			
Contractor - Purchase of Plant, Vehicles & Machinery	(100)			
Purchase of Plant, Vehicles & Equipment	(70)	70		
	(17,959)	(4,384)	45,948	23,023

REPORT TO: POLICY AND RESOURCES COMMITTEE - 23 MARCH 2009

REPORT ON: TREASURY MANAGEMENT STRATEGY 2009/2010

REPORT BY: HEAD OF FINANCE

REPORT NO: 160-2009

1 PURPOSE OF REPORT

This report introduces the Dundee City Council Treasury Management Strategy for 2009/2010, the preparation of which is a requirement of the Council's Treasury Policy Statement and the CIPFA Code of Practice on Treasury Management.

2 RECOMMENDATION

The Committee are asked to:

- 1 note that in terms of the Treasury Policy Statement, the Head of Finance is obliged to present the annual Treasury Management Strategy at the start of each financial year.
- 2 approve the strategy proposed by the Head of Finance for 2009/2010 as set out in the attached document "Treasury Management Strategy 2009/2010".

3 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the recommendations in this report. However, decisions made within the Treasury Management function will affect the cost of the Council's long and short-term borrowing in 2009/2010 and future years. The 2009/2010 Revenue Budget has been set including a provision of £23.451m for Capital Financing Costs and this is based on an average Loans Fund Interest rate of 5.6%.

4 BACKGROUND

The Council's Treasury Policy Statement Report No 172-2008 requires that the Policy and Resources Committee will receive and consider the Treasury Management Strategy in advance of each new financial year.

The Local Government in Scotland Act 2003 requires the Council to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The CIPFA Code of Practice on Treasury Management in the Public Services also requires that the Council sets out its treasury management strategy for borrowing and investment.

Specific guidance on investments is expected to be issued by the Scottish Ministers in the new financial year.

5 TREASURY MANAGEMENT STRATEGY 2009/2010

The Council's Treasury Management Strategy for 2009/2010 is set out in detail in the attached document. The net new borrowing required in 2009/2010 is £31m. In light of this there is expected to be phased borrowing during the year. This will be based on cash flow and interest rate monitoring to determine the term and value of each loan taken.

In light of the current uncertainties in the finance market, lending transactions will be closely monitored to achieve maximum security of capital. This will involve using all available sources of information to assess the financial strength of any counter-parties.

6 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.

There are no major issues.

7 CONSULTATION

The Chief Executive and the Depute Chief Executive (Support Services) have been consulted.

8 BACKGROUND PAPERS

None

**MARJORY M STEWART
HEAD OF FINANCE**

19 MARCH 2009

DUNDEE CITY COUNCIL

TREASURY MANAGEMENT STRATEGY 2009/2010

**Finance Department
Dundee**

TREASURY MANAGEMENT STRATEGY 2009/2010

1 INTRODUCTION

The CIPFA Code of Practice on Treasury Management in the Public Services requires the Council to set out its treasury management strategy for borrowing and investment. This Treasury Management Strategy details the expected activities of the Treasury Management function in the financial year 2009/2010. Its production and submission to the Policy and Resources Committee is a requirement of the Council's approved Treasury Policy Statement. Its format and structure is in the format required by the approved Policy. The suggested strategy for 2009/2010 in respect of the following aspects of the treasury management function is based upon the officers views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisers. The strategy covers:

- The current treasury position;
- Treasury limits in force which will limit the treasury risk and activities of the Council;
- Prospects for interest rates;
- Capital borrowings required and the portfolio strategy;
- Temporary Investment strategy;
- Debt rescheduling.
- Prudential Indicators

2 PRUDENTIAL INDICATORS FOR 2007/2008-2011/2012

The Local Government in Scotland Act 2003 and supporting regulations require the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The indicators for 2007/2008 - 2011/2012 were reported to Committee on 12 February 2009. These are relevant to the integrated treasury management strategy. These are shown at Appendix A.

It is a statutory requirement under Section 93 of the Local Government Finance Act 1992 for the Council to produce a balanced budget. In particular, a local authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in revenue costs from:-

- 1 increases in interest charges caused by increased borrowing to finance the expenditure, and
- 2 any increases in running costs from new capital projects

are affordable for the foreseeable future.

3 CURRENT TREASURY PORTFOLIO POSITION

The Council's loan debt position at 31 January 2009 was as follows:

		<u>£m</u>	<u>£m</u>	<u>%</u>
Fixed Rate Funding	Public Works Loan Board	262.8		
	Market Loans	<u>35.3</u>	298.1	98.2
Variable Rate Funding	Market Loans	5.2		
	Temporary Loans	<u>0.4</u>	<u>5.6</u>	<u>1.8</u>
Total Loan Debt			<u>303.7</u>	<u>100.0</u>
<u>Investments</u>				
Short Term Lending			<u>46.0</u>	

4 TREASURY LIMITS FOR 2009/2010

In accordance with the Council's Prudential Indicators for Treasury Management, the Treasury limits set by the Council as part of its Treasury Management policy are:-

- the amount of the overall borrowing limit which may be fixed rate maturing
 - under one year (10% of total debt based on operational boundary) Circa £35m
- the maximum proportion of interest on borrowing which is subject to variable rate interest. (30% of total debt based on operational boundary) Circa £106m
- the maximum proportion of interest on borrowing which is subject to fixed rate interest - (100% of total debt based on operational boundary) Circa £353m
- authorised limit for external borrowing £378m

5 PROSPECTS FOR INTEREST RATES

The Council appointed Sector Treasury Services, as treasury advisers to the Council and part of their service is to assist the Council to formulate a view on interest rates. Appendix B draws together a number of current City forecasts for short term or variable and longer fixed interest rates for 2009/2010.

The effect on interest rates for the UK is expected to be as follows:

Shorter term interest rates - Base rate is expected to stabilise at 0.5% throughout the year.

Longer term interest rates 50 years - PWLB rates are expected to reach a low of 3.90% in mid 2009.

6 CAPITAL BORROWINGS REQUIRED AND THE PORTFOLIO STRATEGY

The net borrowing requirement for capital expenditure is shown in Appendix A. In 2009/10 it is £31m. Cash flows and PWLB rates will be monitored to determine the appropriate time to borrow and term of the loans. Estimates of the likely rates for different terms are shown at Appendix B. Short-term rates are expected to be lower but this must be balanced against the risk of having to re-finance at an earlier date.

7 TEMPORARY INVESTMENT STRATEGY

The Council will have regard to CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities are a) security of capital and b) liquidity of investments. The Council will aim to achieve the optimum return in light of these.

The borrowing of monies purely to invest or on-lend is unlawful and the Council will not engage in such activity.

Balances on reserves and variations in cash flow requirements means that there will be surplus funds which will be invested for short periods (maximum of 364 days).

Short term investment will be restricted to only those institutions identified in the Council's Approved Counterparties list (shown at Appendix C) provided they have maintained their credit rating. This list has been updated to remove some parties who now fail to meet the Fitch Credit Rating Agency criteria and to add the Government Debt Management Office.

This list reflects the full range of counterparties to be used in the normal course of events. In light of the continuing uncertainty in financial markets each lending decision is being reviewed individually and more restrictive criteria will be applied, where considered appropriate.

The return from investments is expected to be very low over the next year and security of capital will be the Council's prime objective.

8 DEBT RESCHEDULING

The introduction of different PWLB rates on 1 November 2007 for new borrowing as opposed to early repayment of debt and the setting of a spread between the two rates has meant that PWLB to PWLB restructuring is now much less attractive.

Opportunities will continue to be monitored and possible reasons would be:

- cash savings
- enhance balance of the long term profile with respect to maturity and volatility
- help fulfil portfolio strategy

DUNDEE CITY COUNCIL

PRUDENTIAL INDICATOR	2007/08	2008/09	2009/10	2010/11	2011/12
1 CAPITAL PLAN PRUDENTIAL INDICATORS	£ p	£ p	£ p	£ p	£ p
	estimate	estimate	estimate	estimate	actual
Capital Expenditure	£'000	£'000	£'000	£'000	£'000
General Services	36,915	31,494	54,120	100,172	47,030
Ratio of financing costs to net revenue stream					
General Services	7.9%	7.3%	7.0%	6.7%	6.8%
Net borrowing requirement					
brought forward 1 April	314,075	313,779	322,000	353,000	407,000
carried forward 31 March	313,779	322,000	353,000	407,000	429,000
in year borrowing requirement	(296)	8,221	31,000	54,000	22,000
In year Capital Financing Requirement					
General Services	(3,277)	3,841	21,263	47,487	15,473
HRA	(281)	5,583	10,780	7,337	7,322
TOTAL	(3,558)	9,424	32,043	54,824	22,795
Capital Financing Requirement as at 31 March					
General Services	204,065	225,000	230,000	277,000	293,000
HRA	124,318	127,000	141,000	148,000	155,000
TOTAL	328,383	352,000	371,000	425,000	448,000
Difference between Net Borrowing and Capital Financing Requirement					
	14,604	30,000	18,000	18,000	19,000
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p
Increase/(Decrease) in Council Tax (band D per annum)	-	-	0.07	0.12	8.58

PRUDENTIAL INDICATOR	2007/08	2008/09	2009/10	2010/11	2011/12
2 TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000	£'000
Authorised limit for external debt - borrowing	340,000	347,000	378,000	432,000	454,000
other long term liabilities	4,500	4,000	4,000	4,000	4,000
TOTAL	344,500	351,000	382,000	436,000	458,000
Operational boundary for external debt - borrowing	313,730	322,000	353,000	407,000	429,000
other long term liabilities	49	-	-	-	-
TOTAL	313,779	322,000	353,000	407,000	429,000
Upper limit for fixed interest rate exposure expressed as Net principal re fixed rate borrowing/investments	100	100	100	100	100
Upper limit for variable rate exposure expressed as Net principal re variable rate borrowing/investments	30	30	30	30	30
Upper limit for total principal sums invested for over 364 days	N/A	N/A	N/A	N/A	N/A

Maturity structure of fixed rate borrowing during 2009/10	lower limit	upper limit
--	-------------	-------------

under 12 months	-	10%
12 months and within 24 months	-	15%
24 months and within 5 years	-	25%
5 years and within 10 years	-	25%
10 years and above	50%	95%

Adoption of CIPFA Code of Practice for Treasury Management	YES
--	-----

OUTLOOK FOR INTEREST RATES

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts by Sector, UBS and Capital Economics (an independent forecasting consultancy). The final one represent summarised figures drawn from the population of all major City banks and academic institutions. The forecast within the strategy statement has been drawn from these diverse sources and officers own views.

Individual Banks Forecasts

Sector Economic interest rate forecast (for quarter ends) - February 2009

(%)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Bank Rate	0.5%	0.5%	0.5%	0.5%	0.5%
5 Year PWLB	2.6%	2.45%	2.3%	2.3%	2.3%
10 Year PWLB	3.6%	3.35%	3.2%	3.2%	3.25%
25 Year PWLB	4.15%	4.05%	4.0%	4.0%	4.1%
50 Year PWLB	4.1%	3.95%	3.9%	3.9%	3.95%

Capital Economics interest rate forecast - January 2009

(%)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Bank Rate	0.5%	0.0%	0.0%	0.0%	0.0%
5 Year PWLB	1.65%	1.45%	1.45%	1.45%	1.45%
10 Year PWLB	2.65%	2.15%	2.15%	2.15%	2.15%
25 Year PWLB	4.15%	4.0%	3.8%	3.65%	3.65%
50 Year PWLB	4.05%	3.95%	3.85%	3.75%	3.75%

UBS interest rate forecast - January 2009

(%)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Bank Rate	0.5%	0.5%	0.5%	0.5%	0.5%
10 Year PWLB	3.75%	4.15%	4.35%	4.65%	-
25 Year PWLB	4.25%	4.55%	4.85%	5.05%	-
50 Year PWLB	4.3%	4.65%	5.0%	5.25%	-

Summary Economic Forecasts

HM Treasury - summary of 35 independent forecasters views of bank rate - as at January 2009 (2010-2012 are based on 21 forecasts)

(%)	2009 Year End	2010 Average	2011 Average	2012 Average
Medium	0.5%	3.11%	3.97%	4.49%
Highest	2.5%	4.7%	5.0%	5.25
Lowest	0.0%	1.0%	2.25%	3.0%

APPROVED COUNTERPARTIES FOR INVESTMENT TRANSACTIONS

<u>Approved Lending Bodies</u>	<u>Short Term Credit Rating</u>	<u>Maximum Deposits £m</u>
<u>Banks</u>		
Abbey National plc, Alliance & Leicester	F1+	12
Barclays Bank plc	F1+	12
* Clydesdale Bank plc (National Australia Bank)	F1+	12
Lloyds TSB Bank plc (inc HBOS)	F1+	12
HSBC Bank plc	F1+	12
Royal Bank of Scotland plc (inc National Westminster)	F1+	12
Northern Rock	F1+	12
Bank of Ireland	F1+	12
Dexia Bank	F1+	12
Anglo Irish Bank Corporation	F1+	12
<u>Building Societies</u>		
Nationwide Building Society	F1+	12
Coventry Building Society	F1	8
Skipton Building Society	F1	8
Yorkshire Building Society	F1	8
Chelsea Building Society	F1	8
Leeds Building society	F1	8
<u>Other</u>		
Debt Management Office	N/A	12
Scottish Local Authorities	N/A	8
English and Welsh Local Authorities	N/A	8

* This bank is a wholly owned subsidiary of the bank in brackets and the rating quoted refers to the parent bank.

NB Credit ratings indicate the capacity for timely repayments as follows:

F1+	strongest
F1	strong
F2	satisfactory
F3	adequate
B	uncertain
C	highly uncertain
D	actual or imminent default

REPORT TO: POLICY AND RESOURCES COMMITTEE - 23 MARCH 2009
REPORT ON: RELIEF OF RATES - CHARITY RELIEF
REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)
REPORT NO: 174-2009

1.0 PURPOSE OF REPORT

The purpose of this report is to seek authorisation from the Committee to grant Charity Relief on Non-Domestic properties in respect of the applications attached.

2.0 RECOMMENDATION

That the Council agrees to grant Remission of Rates as detailed on the attached report. This report makes recommendations based on the Council's agreed policies.

3.0 FINANCIAL IMPLICATIONS

This Council directly incurs the cost of 25% of the amount granted as Discretionary Relief apart from that which is granted to Sports Clubs which is 100% funded from the Non-Domestic Rates pool.

4.0 MAIN TEXT

The Council agreed to accept Report 149/1996 in respect of the granting of Charity Relief on Non-Domestic property. The Council also agreed to accept report 117/2004 which amended the policy with regard to sports clubs. The Council also agreed to accept report 468-2006 which amended the policy with regard to charity shops.

5.0 POLICY IMPLICATIONS

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.

6.0 CONSULTATIONS

The Chief Executive and Depute Chief Executive (Support Services) have been consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None

D K Dorward
Depute Chief Executive (Finance)

Date:

POLICY & RESOURCES COMMITTEE
REPORT BY DEPUTE CHIEF EXECUTIVE (FINANCE)

SUBJECT: RELIEF OF RATES

APPLICANT	SUBJECTS	UNIFIED BUSINESS RATE PAYABLE £	REMARKS	RECOMMENDATION	ANNUAL COST TO COUNCIL £
Craigowl Communities 2 Victoria Road DUNDEE DD1 1JJ	Office 2 Victoria Road DUNDEE DD1 1JJ	1975.67 (01.05.08 - 31.03.09)	To provide and assist in the provision of vocational training, education and guidance services to employed and unemployed persons in the interest of social welfare.	Grant 80% Mandatory Relief and 20% Discretionary Relief	98.78
Transform Furniture Limited 1 Guthrie Street DUNDEE DD1 5DY	Retail Warehouse 1 Guthrie Street DUNDEE DD1 5DY	10259.20 (01.04.08 - 31.03.09) 2213.19 (10.01.08 - 31.03.08)	Premises are being used as a retail unit selling all types of domestic furniture and white goods to low income households in Dundee including people moving on from temporary homeless accommodation. In addition the project aims to provide employment for people who have been long term unemployed.	Grant 80% Mandatory and 20% Discretionary Relief	512.96
Bield Housing Association Limited 79 Hopetoun Street Edinburgh EH7 4QF	Office 1 Rockwell Gardens DUNDEE DD3 6TN	1488.50 (01.04.08 - 31.03.09) 1433.25 (01.04.07 - 31.03.08)	To provide high quality houses and services to older people.	Grant 80% Mandatory and 20% Discretionary Relief	74.42

APPLICANT	SUBJECTS	UNIFIED BUSINESS RATE PAYABLE £	REMARKS	RECOMMENDATION	ANNUAL COST TO COUNCIL £
Bield Housing Association Limited 79 Hopetoun Street Edinburgh EH7 4QF	Office 25 Rockwell Gardens DUNDEE DD3 6TN	1282.40 (01.04.08 - 31.03.09) 1234.80 (01.04.07 - 31.03.08)	To provide high quality houses and services to older people.	Grant 80% Mandatory and 20% Discretionary Relief	64.12
Carolina House Trust FAO - Financial Controller, 23 Roseangle, Dundee DD1 4LS	Warehouse & Office Bowbridge Works Units 4/5, Thistle Street DUNDEE DD3 7HR	979.87 (15.11.08 - 31.03.09)	The provision of care services to vulnerable young people with complex needs	Grant 80% Mandatory and 20% Discretionary Relief	48.99
Central Baptist Church The Treasurer Church Office 9a Ward Road DUNDEE DD1 1LP	Warehouse South Ward Road DUNDEE DD1 1PL	1640.27 (22.04.08 - 31.03.09)	To join together in Christian worship and fellowship and to engage in the propagation of the Gospel of Jesus Christ both locally and beyond. Premises are to be used temporarily to carry out church activities ie Sunday school, bible class whilst permanent church hall is being rebuilt.	Grant 80% Mandatory and 20% Discretionary Relief	82.01
Downfield Musical Society 27-29 Guthrie Street DUNDEE	Warehouse 38/40 Bellfield Street DUNDEE DD1 5JA	1818.95 (08.08.08- 31.03.09)	The study and performance of operatic and musical works.	Grant 80% Mandatory and 20% Discretionary Relief	90.95

APPLICANT	SUBJECTS	UNIFIED BUSINESS RATE PAYABLE £	REMARKS	RECOMMENDATION	ANNUAL COST TO COUNCIL £
Carr Gomm Scotland per Fiona Buchan 11 Harewood Road EDINBURGH EH16 4NT	Office Unit 6a City Quay Camperdown Street DUNDEE DD1 3HX	2277.45 (01.12.08 - 31.03.09)	To provide relief and support in the community to people experiencing disability, distress or ill-health	Grant 80% Mandatory and 20% Discretionary Relief	113.87
Carr Gomm Scotland per Fiona Buchan 11 Harewood Road EDINBURGH EH16 4NT	Office G/1, 4 Rosefield Street DUNDEE DD1 5PP	549.60 (01.04.08 - 31.03.09) 254.48 (08.10.07 - 31.03.08)	To provide relief and support in the community to people experiencing disability, distress or ill-health	Grant 80% Mandatory and 20% Discretionary Relief	27.48
Ardler Village Trust Company 197 Turnberry Avenue DUNDEE DD2 3WN	Shop 197 Turnberry Avenue DUNDEE DD2 3WN	1981.95 (01.08.08 - 31.03.09)	To relieve poverty and advance citizenship to the residents of Ardler area. Shop being used for sale of second hand goods.	Grant 80% Mandatory and 20% Discretionary Relief	99.10
Dundee Repertory Theatre Ltd 2 Tay Square DUNDEE DD1 1PB	Depot Unit 3 Edison Place Dryburgh Industrial Estate DUNDEE DD2 3QU	7161.24 (27.08.08 - 31.03.09)	To encourage the participation of the citizens of Dundee in activities of the theatre. Property being used as a store	Grant 80% Mandatory and 20% Discretionary Relief	358.06
Claverhouse Group Towngate Business Centre 4-6 Staffa Place DUNDEE DD2 3SX	Shop 7 Victoria Road DUNDEE DD1 1ER	2752.39 (08.09.08 - 31.03.09)	To create employment opportunities for long term unemployed people. Shop being used for selling second hand bikes and electrical goods	Grant 80% Mandatory	

REPORT TO: POLICY & RESOURCES COMMITTEE - 23 MARCH 2009

REPORT ON: COMMON GOOD FUND

REPORT BY: HEAD OF FINANCE

REPORT NO: 193-2009

1.0 PURPOSE OF REPORT

This report provides details of the Council's Common Good Fund Revenue Budget for 2009/10.

2.0 RECOMMENDATIONS

It is recommended that the Committee:-

- 2.1 Approve the Common Good Fund 2009/10 Revenue Budget as detailed in Appendix A.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The draft Common Good Fund Revenue Budget for 2009/10 incorporates all known income and committed expenditure for that year. This results in an uncommitted balance of £2,000 within Third Party Payments.

4.0 INTRODUCTION

- 4.1 Common Good is a term synonymous with the creation of Burghs as trading counties. A Burgh became a trading county when the King licensed that Burgh to have markets, and at that time a Burgh Fund was set up and is now referred to as the Common Good Fund. As indicated by its name, the Fund is to be used for the common good of the City. Under Section 222 of the Local Government (Scotland) Act 1973, it stated that the then District Council in administering the Common Good Fund must "have regard to the interests of all inhabitants of the district".

5.0 FINANCIAL CONSIDERATIONS

- 5.1 In the City Council's Financial Regulations, specific reference is made to the Common Good Fund as follows:-

"The Head of Finance will submit a Revenue Budget to the Policy & Resources Committee each year. The Head of Finance will have authority to incur expenditure within the approved budget.

All investments of money shall be made by the Head of Finance in the name of the Council. Any investments made will be in accordance with the policy determined by the Policy & Resources Committee.

All securities which are the property of, or in the name of the Council, shall be held in custody under the supervision of the Head of Finance."

- 5.2 It has been accepted as custom and practice that the Common Good Fund should not meet expenditure of a recurring nature, and that it is solely for expenditure of a one-off nature. In recent years the Common Good Fund has contributed to the following initiatives:

	£
Admiral Duncan 200th Anniversary	20,000
Ward Road Gym	92,000
Whitehall Theatre	50,000
The Brae Riding for the Disabled	10,000
Dundee Heritage Trust - RRS Discovery	10,000
Bharatiya Ashram	20,000
Botanic Gardens	90,000

- 5.3 The Common Good Fund assets are invested primarily in the Council's Loans Fund and it is estimated that these will generate approximately £50,000 income in 2009/10. From this income the Council will meet expenditure of a non-recurring nature as agreed by the Council.

- 5.4 The sharp fall in interest rates during the current financial year means that the investment income for the Common Good will fall from a budgeted level of £140,000 in 2008/09 to only £50,000 in 2009/10. This will result in the income for 2009/10 only covering the ongoing operating costs of the Common Good and the replacement of Christmas Lights. The draft Common Good Budget for 2009/10 shows that there is an uncommitted balance of only £2,000, consequently there will be no funds available for distribution during 2009/10.

6.0 REVENUE BUDGET AND PROPOSED EXPENDITURE FOR 2009/10

- 6.1 The Common Good Fund Revenue Budget for the financial year 2009/10 has been prepared, based on the latest information available. Appendix A details the Common Good Fund Revenue Budget for 2009/10.

7.0 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.

There are no major issues.

8.0 CONSULTATIONS

- 8.1 The Chief Executive, Depute Chief Executive (Support Services) and Depute Chief Executive (Finance).

9.0 BACKGROUND PAPERS

- 9.1 None.

HEAD OF FINANCE

13 MARCH 2009

APPENDIX A

COMMON GOOD

REVENUE BUDGET 2009/2010

	2008/09 £000	2009/10 £000
<u>EXPENDITURE</u>		
STAFF COSTS	-	-
PROPERTY COSTS		
Property Insurance	3	3
Energy Costs	1	1
Christmas Lights	<u>30</u>	<u>30</u>
TOTAL PROPERTY COSTS	<u>34</u>	<u>34</u>
SUPPLIES & SERVICES		
Other Supplies and Services	<u>10</u>	<u>10</u>
TOTAL SUPPLIES & SERVICES	<u>10</u>	<u>10</u>
TRANSPORT COSTS	-	-
THIRD PARTY PAYMENTS		
Botanic Gardens	90	-
Sundry Payments	<u>2</u>	<u>2</u>
TOTAL THIRD PARTY PAYMENTS	<u>92</u>	<u>2</u>
SUPPORT SERVICES		
Recharge from Central Support Departments	<u>4</u>	<u>4</u>
TOTAL SUPPORT SERVICES	<u>4</u>	<u>4</u>
CAPITAL CHARGES	-	-
<u>TOTAL GROSS EXPENDITURE</u>	<u>140</u>	<u>50</u>
<u>INCOME</u>		
Interest and Dividends	140	50
Other Income	-	-
<u>TOTAL INCOME</u>	<u>140</u>	<u>50</u>
<u>TOTAL NET EXPENDITURE</u>	<u>-</u>	<u>-</u>

REPORT TO: POLICY AND RESOURCES COMMITTEE - 23 MARCH 2009

REPORT ON: REINTRODUCTION OF MORTGAGES FOR COUNCIL HOUSE SALES

REPORT BY: JOINT REPORT BY HEAD OF FINANCE AND DIRECTOR OF HOUSING

REPORT NO: 118-2009

1 PURPOSE OF REPORT

The purpose of this report is to seek the Committee's approval to the reintroduction of mortgages for council house sales and surplus housing being sold by the Council for first-time buyers in Dundee.

2 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee agree to:

- 2.1 The reintroduction of first-time buyer mortgages for council house sales and private housing as a way of boosting the local economy in the current "credit crunch".
- 2.2 Mortgages to be made available at a maximum loan repayment period of 25 years to council house tenants at 100% of net purchase price after right to buy discount and 100% of purchase price for private purchasers buying the last property in a block of 3 or more properties which have been withdrawn from the letting pool and marketed for sale on the open market.
- 2.3 The Head of Finance is authorised to assess the income verification evidence submitted with the mortgage application form for the purpose of assessing the maximum amount of loan to be offered. Also the maximum loan repayment period will be determined taking account of the individual's likely future period of employment leading up to normal retirement age.
- 2.4 Appropriate publicity material is made available through the Housing Division promoting the availability of mortgage funding for initially a period of one year to prospective council house purchasers and private purchasers buying the last property in a block of 3 or more which have been withdrawn from the letting pool.
- 2.5 A further report be submitted to this committee within one year to assess the implications of the changing economic climate and the impact of the recommendations in this report.

3 FINANCIAL IMPLICATIONS

- 3.1 With the introduction of the Prudential Code for Capital Finance in Local Authorities, the rules for borrowing are strictly determined in terms of capital expenditure as defined by the CIPFA/LASAAC Statement of Recommended Practice (SORP). Since mortgages do not comply with the definition of capital expenditure as defined in the SORP the Council is unable to borrow for this expenditure unless a dispensation is applied for and approved by the Scottish Government.
- 3.2 The Council currently has revenue resources available to fund a certain level of mortgages and it is proposed that a sum of £5.5 million is earmarked for this purpose, ie council mortgages £1.5 million and private mortgages £4 million. The Council will receive repayment of these loans over a maximum 25 year period comprising principal repayment and variable interest charge.
- 3.3 The maximum mortgage offered to borrowers will be assessed using a multiplier of 3 for the applicant's annual income plus a multiplier of 1 for spouse's annual income.
- 3.4 The rate of interest for all existing and new loans will be 3.93% and this will be varied from time to time as advised by the Scottish Government Housing and Regeneration Directorate.

4 EXISTING LEGISLATION

- 4.1 The Council has had an ability to grant loans under various housing legislation for the purposes of housing at least from the 1960's.
- 4.2 Until 30 September 2002 the Council was obliged in terms of Section 216 of the Housing (Scotland) Act 1987 to consider as lender of last resort an application for loan from a tenant seeking to exercise their right to purchase a house, and where the Council was satisfied that the information contained in the loan application was correct, serve on the applicant an offer of loan. This was repealed by the Housing (Scotland) Act 2001 which came into effect on 30 September 2002.
- 4.3 However, since 2002 the Council has continued to have discretionary powers to grant loans under Section 214 of the Housing (Scotland) Act 1987.
- 4.4 Section 214(1) states "that a local authority may advance money to any person for the purpose of - (a) acquiring a house..."
- 4.5 Currently the standard rate at (a) above as advised by the Scottish Government Housing and Regeneration Directorate is 3.93% with effect from 2 February 2009.

5 EXISTING HOUSING LOAN PORTFOLIO

- 5.1 The Council currently has 73 mortgages with a total balance outstanding of approximately £800k at 31 March 2008. The funding for these mortgages was through borrowing and the outstanding debt currently sits on the Other Housing Account with the principal loan repayments being capital receipts towards the financing of the General Fund Capital Plan.
- 5.2 More recent statistics on council house sales and housing loans advanced are as follows:-

	House Sales				Housing Loans		
	Anticipated No.	Actual No.	Total Value £	Average Value £	No.	Total Value £	Average Value £
2005/06	200	260	5,537,398	21,298	9	146,400	16,267
2006/07	240	243	6,050,083	24,897	12	192,696	16,058
2007/08	240	216	6,231,788	28,851	10	270,980	27,098
2008/09 (to date)	180	109	3,284,213	30,130	3	84,400	28,133

- 5.3 The 3 years 2005/06 to 2007/08 demonstrate a reducing performance in actual to budgeted sales with a corresponding negative impact on the capital receipts available as a component of the finance available to fund the HRA Capital Plan.
- 5.4 In addition the small proportion of housing loans to the total number of house sales would indicate that purchasers were sourcing finance from the principal lending institutions including banks and building societies and the Council was lending as lender of last resort for a limited number of loans.

6 LEAN SERVICES REVIEW

- 6.1 Early in 2008 the Council's Organisational Development Officer completed a Lean Services Review relating to Council House Sales and in particular the Council's performance for the key statutory performance indicators for a) the percentage of house sales completed within 26 weeks and b) the average for council house sales.
- 6.2 One of the outcomes from this review was applications for right to buy loans had significantly increased the overall processing times for council house sales with over 80% of the current 'live' loan applications received between 1993-2007 taking more than 182 days to process.

- 6.3 Consequently, since the provision of housing loans was no longer a lender of last resort legislative requirement and research indicated most other local authorities in Scotland had withdrawn this financial service, a decision was taken to stop this financial service in Dundee also.

7 CURRENT SITUATION

- 7.1 The current situation for the HRA Capital Plan in 2008/09 as indicated at paragraph 5.2 above is that council house sales are likely to be significantly below the anticipated 180 level and the latest projections indicate a shortfall in capital receipts of approximately £1m.
- 7.2 It can reasonably be assumed the impact of the "credit crunch" and squeeze on mortgage funds is a significant contributory factor in the reduction in anticipated council house sales.
- 7.3 The Council of Mortgage Lenders (CML) has reported the shortage of mortgage funding and reduction in the number of active lenders has reshaped the mortgage landscape in the space of a year. Last year the number of loans to first-time buyers fell by 46% and widespread rationing by lenders meant that first-time buyers had to put down an average deposit of 22%.

8 REINTRODUCTION OF MORTGAGES FOR COUNCIL HOUSE SALES

- 8.1 The reintroduction of mortgages for council house sales at 100% of selling price is proposed as a suitable council initiative to assist the local economy and help first-time buyers in their aspirations of owning their council house.
- 8.2 Currently prospective council house purchasers can benefit from one of two discounts schemes available as follows:-

Preserved Right to Buy (PRTB)

Flats and Maisonettes

Discounts start at 44% of market value (after 2 year qualifying period) and rises by 2% per year to a maximum of 70% (after 15 years).

Cottages

Discounts start at 32% of the market value (after the 2 year qualifying period) and rises by 1% per year to a maximum of 60% (after 30 years).

Modernised Right to Buy (MRTB)

Flats, Maisonettes and Cottages

There is no distinction between flats, cottages and maisonettes re discount entitlement.

Discount starts at 20% of market value (after the 5 year qualifying period) and rises by 1% per year to a maximum of 35% (after 20 years), however, there is a ceiling of £15,000 as a maximum discount.

- 8.3 Since the Council would have a standard security over the property it is anticipated the equity margin between the house value and the net selling price possibly requiring a 100% mortgage would provide the Council with a level of protection against further falls in property prices in the event of the borrower defaulting and the home having to be repossessed and sold on the open market.
- 8.4 It is proposed the Council budget to provide 50 Council tenant loans over the coming year at £30,000 each, ie £1.5 million.
- 8.5 Reference is made to Article IV of the Minute of the Meeting of the Housing, Dundee Contract Services and Environmental Services Committee meeting of 10 December 2007.

- 8.6 A recommendation in this report was the Council would offer for sale on the open market properties from its stock which became void and are the sole remaining property in a block of 3 or more properties. This report stated there were 313 council owned blocks where there is only one council house left.
- 8.7 To assist in the sale of these properties it is proposed that the Council offers 100% mortgages.
- 8.8 In these circumstances no right to buy discount will be applicable and the value of loans will accordingly be significantly higher than council house tenant loans. The report at paragraph 9.1 above also gave examples of various properties where the highest private sale of same or similar properties ranged from £100,000 to £115,000. Given the reduction in the property market since the date of this report it would appear appropriate to estimate an average sale price of approximately £80,000 for these properties at the present time.
- 8.9 It is proposed the Council budget to provide 50 private sector loans over the coming year at £80,000 each, ie £4 million.

9 THE SCOTTISH GOVERNMENT

- 9.1 The Scottish Government has allocated £250m funding from 2008-2011 to support hard-pressed first-time buyers to get onto the housing ladder through the establishment of a new low-cost initiative for first-time buyers (LIFT).

LIFT covers a broad range of support for first-time buyers including:

- new supply shared equity scheme to allow first-time buyers to buy a new build property;
- the Open Market Shared Equity Pilot (OMSEP) - a pilot scheme to allow first-time buyers to buy a property on the open market in areas where affordability is a key problem for buyers.

- 9.2 OMSEP scheme is designed for buyers who are normally expected to take an equity stake of between 60 and 80 per cent of the value of a home, with the government's equity stake being used to pay for the rest. The scheme can help first-time buyers to access the market even where they do not have a large deposit available as the government's equity stake can effectively be treated as a deposit by many lenders. The OMSEP has been piloted in 10 local authorities and is expected to be extended across Scotland for a one year period from early in 2009.
- 9.3 The Finance Department has written to the Head of Local Government Division at the Scottish Government indicating the intention to submit a report to Dundee City Council's Policy and Resources Committee recommending the introduction of council funded mortgages. The response to this letter was positive subject to the council funding such lending wholly from existing resources as borrowing would require Scottish Government dispensation. In addition the letter also indicated that the Scottish Government Housing Division was currently considering measures for boosting local economies and although the response was positive no details of proposed initiatives have so far been made available.

10 CONCLUSION

- 10.1 There is evidence available from various sources that a number of councils south of the border have already or are actively considering returning to offering mortgages for first-time buyers with a view to getting the housing market moving again, stopping the crash in house prices and help bring the economic recession to a swifter end.
- 10.2 While the Scottish Government has already announced measures to help people meet their aspirations to become home owners where that is suitable for them and further initiatives may soon be announced, it is suggested this report offers Dundee City Council the opportunity to lead the way for other local authorities in Scotland with an initiative which can complement other measures being progressed by the Scottish Government.

11 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.

There are no major issues.

12 CONSULTATION

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

13 BACKGROUND PAPERS

Housing (Scotland) Act 1987
Report to the Housing, Dundee Contract Services and Environmental Services Committee,
Report No 624-2007

MARJORY M STEWART, HEAD OF FINANCE 12 MARCH 2009

ELAINE ZWIRLEIN, DIRECTOR OF HOUSING 12 MARCH 2009

REPORT TO: Policy and Resource Committee - 23 March 2009

REPORT ON: Hazardous Materials Emergency Plan - 2009

REPORT BY: Depute Chief Executive (Support Services)

REPORT NO: 187 - 2009

1.0 PURPOSE OF REPORT

1.0 The purpose of this report is to introduce members to the Dundee City Council Hazardous Materials Emergency Plan.

2.0 RECOMMENDATIONS

2.1 The Policy and Resources Committee is asked to note the contents of this report.

3.0 FINANCIAL IMPLICATIONS

3.1 Dundee City Council retains the services of a specialist company to assist with responding to hazardous material incidents. Braemar Howells Ltd has earned a worldwide reputation for the quality and effectiveness of their response to environmental tasks. The retention cost of £1000 per annum is a small fraction of the initial and ongoing costs associated with providing this service internally.

4.0 MAIN TEXT

4.1 Background

The Civil Contingencies Act 2004 (the Act) established a new legislative framework for civil protection across the UK. The Contingency Planning (Scotland) Regulations 2005 describe how the provisions of the UK Act are to be implemented in Scotland. This legislation imposed new duties on public sector and other relevant organisations to ensure that effective arrangements are in place both for dealing with emergencies and for the delivery of services in the event of disruption.

4.2 Civil contingencies planning in Scotland is based on the concept of resilience, underpinned by integrated emergency management. Resilience is defined as the ability “at every relevant level to detect, prevent and, if necessary, to handle and recover from disruptive challenges”.

4.3 Integrated Emergency Management (IEM)

Integrated emergency management (IEM) is about preparing flexible and adaptable arrangements to ensure effective management of a multi-agency response to any crisis, whether it is an emergency as defined in legislation or any other disruptive event which affects our communities.

4.4 All Council emergency plans are being developed following the principles of IEM. The focus is on the effects of an incident rather than the cause and preparation, planning, response and recovery is undertaken as an extension of normal day to day activities by all departments and services.

4.5 The Emergency Planning Officer has developed and introduced a generic emergency response and recovery plan which provides a framework to allow Dundee City Council to respond effectively to any major civil emergency or any lesser incident requiring a multi agency response.

4.6 Whilst the generic plan provides the framework for initial response and recovery, additions in the form of specialist plans are required to deal with specific hazards or areas that require specialist attention.

4.7 Hazardous Material Emergency Plan

Hazardous materials can be described as oils, chemicals, biological or radiological materials released into the environment from naturally occurring events, maritime incidents, industrial accidents, road traffic accidents, terrorism or illegal dumping of hazardous materials.

4.8 It is essential that we have a well thought out and familiar plan which provides the guidance and information necessary for Dundee City Council staff and supporting agencies to respond quickly and efficiently to the needs of our communities and the natural and built environment when faced with the threat of contamination from the accidental or deliberate release of hazardous materials.

4.9 The plan will be tested to ensure that it is fit for purpose through a series of training sessions directed at staff who have a role and responsibilities within the plan.

5.0 POLICY IMPLICATIONS

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

There are no major implications.

6.0 CONSULTATIONS

6.1 The Chief Executive, the Depute Chief Executive (Finance), The Director of Leisure and Communities, The Head of Finance, The Head of Waste Management and the Head of Environmental Health and Trading Standards were consulted in connection with this report.

7.0 BACKGROUND PAPERS

7.1 None.

PATRICIA MCILQUHAM
DEPUTE CHIEF EXECUTIVE (SUPPORT SERVICES)
Date: 26 February 2009

HAZARDOUS MATERIALS

EMERGENCY RESPONSE/RECOVERY PLAN

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1. INTRODUCTION

Scope and Intent

1.1 This Hazardous Materials Emergency Response/Recovery Plan is designed to guide the Council response to and recovery from spills or discovery of oil or other hazardous materials (Hazmat) within the Dundee City Council boundaries. This includes the discovery, identification, notification, evaluation, and initiation of immediate and appropriate on-scene action for incidents including, but not limited to the release of hazardous materials resulting from naturally occurring events, maritime incidents, industrial accidents, road traffic accidents, terrorism or illegal dumping of hazardous materials.

1.2 It has been prepared on the basis that the Waste Management Department and Environmental Health and Trading Standards take the lead in the event of a pollution incident in accordance with the Dundee City Council Generic Emergency Plan.

1.3 Dundee City Council retains the services of a specialist company to assist with responding to such incidents. Braemar Howells Ltd has earned a worldwide reputation for the quality and effectiveness of their response to environmental tasks. They will be called out and operate in accordance with their standard operating procedures. A summary of Braemar Howells Ltd pollution response procedures is enclosed.

1.4 Terrorist related incidents involving hazardous materials are referred to as CBRN (Chemical, Biological, Radiological and Nuclear) incidents. The Tayside Strategic Co-ordinating Group CBRN Plan will be invoked when dealing with incidents of this nature. Dundee City Council will take their lead from Tayside Police and Tayside Fire and Rescue and this plan will be adapted to the circumstances.

1.5 Braemar Howells Ltd are members of the National CBRN Working Group and have technical specialists who can also assist with and advise on CBRN incidents as part of the emergency services response or as part of Dundee City Councils Site Clearance strategy.

1.6 This plan can also be used for pollution incidents where the public are not in immediate danger and the scale of the incident does not necessarily require a response by the emergency services. Incidents of this nature are to be referred to the key contacts listed at **Annex A** during working hours and the Council Emergency Contact procedure is to be used during silent hours. Where the scale of the incident and impact on the general public is unknown, dial 999 and initiate the emergency callout arrangements.

Objectives

1.7 Dundee City Council objectives for response to Hazmat emergencies are to:

- Protect the safety and health of the public.
- Protect the safety and health of Council employees.
- Protect natural resources and the environment from the impact of hazardous materials.
- Ensure that the most technically qualified personnel are available to assist the Incident Commander.

2. RESPONSE PROCEDURES

General

2.1 This plan is to be used in conjunction with the following supporting plans and procedures where necessary:

- Tayside Strategic Co-ordinating Group (SCG) Manual Section 4 - Emergency Response Arrangements.
- Dundee City Council Generic Emergency Plan.
- Tayside SCG Site Clearance Plan.
- Tayside SCG CBRN Plan.
- Tay Area Oil Pollution Plan.
- Braemar Howells Ltd Operating Procedures.

Emergency Notifications

2.2 The Police are normally the first to receive information of an emergency and alert other services using the appropriate call out procedures. However notification may also come from one of the other emergency services or another source.

Emergency Services

2.3 The Tayside Strategic Co-ordinating Group and in particular the Emergency Services follow well rehearsed procedures for responding to a major incident and will call on the resources of Dundee City Council when necessary and appropriate in accordance with current plans.

2.4 Tayside Fire and Rescue are skilled, trained and equipped to respond to Hazmat incidents to protect people and the natural and built environment. After the incident has been made safe or declared unsafe to enter, Tayside Fire and Rescue will work in partnership with Dundee City Council and specialist contractors to ensure that hazardous materials are no longer a threat to local communities and/or the natural and built environment.

Dundee City Council Emergency Planning

2.5 If a call is received that there has been a Hazmat incident, the Emergency Planning Officer will take the following action:

- Start an incident log.
- Find out all available information on the incident from Tayside Fire and Rescue Control Room.
- Co-ordinate immediate assistance as requested by the emergency services.
- Call out Braemar Howells Incident Response Team. **08700 73 77 66 73**
- If necessary, call out the Council Emergency Co-ordination Team in accordance with the Dundee City Council Generic Emergency Plan.
- Advise the Emergency Co-ordination Team throughout the incident.
- Prepare the Post Incident Report for the incident. This report will include as a minimum:
 - A written statement of the incident summarising the spill/release, actions taken and recommended future monitoring (if needed).
 - All Hazardous Materials Initial Incident Report forms.
 - All contract documents that may have been required to help contain the spill/release and/or cleanup and removal of the hazardous material.
 - Maps, sketches, or photographs of the incident.
 - All hazardous waste manifests.
 - All other documents pertinent to justifying actions taken at the site.

Dundee City Council Emergency Co-ordination

2.6 The Dundee City Council initial response to any Hazmat incident will be managed in accordance with Tactical Environmental Response/Recovery Team responsibilities as detailed in the Council Generic Emergency Plan.

Braemar Howells Ltd

2.7 Braemar Howells Ltd will deploy an appropriate Incident Response Team to the incident location in accordance with their current operating procedures and formal agreement with Dundee City Council.

2.8 They will carry out containment, clean up and removal of contamination and contaminated waste material duties as directed by Dundee City Council.

2.9 During the Site Clearance phase Braemar Howells Ltd Strategic and/or Tactical level management will operate from the Dundee City Council Emergency Centre. The level of command required will be dependant on the scale of the incident.

3. RECOVERY

3.1 Dundee City Council will take the lead role with the cleanup operation and removal/disposal of all hazardous materials in accordance with established Recovery arrangements. They will form a Site Clearance Group and work with Braemar Howells Ltd and other partners to complete necessary site cleanup and disposal.

4. POST INCIDENT REPORTING

4.1 Reports can and will be used as legal documents in court cases involving hazardous materials. They **MUST** be precise.

ANNEX A - KEY CONTACTS

Emergency Planning Officer:

John Handling

Tel: 01382 434264

Mob: 07951380174

Leisure and Communities

Gary Robertson

Tel: 01382 307466

Waste Management

Kenny Kerr

Tel: 01382 432788

**Environmental Health and
Trading Standards**

Frank Feechan

Tel: 01382 436221

Braemar Howells

Gary Thomson

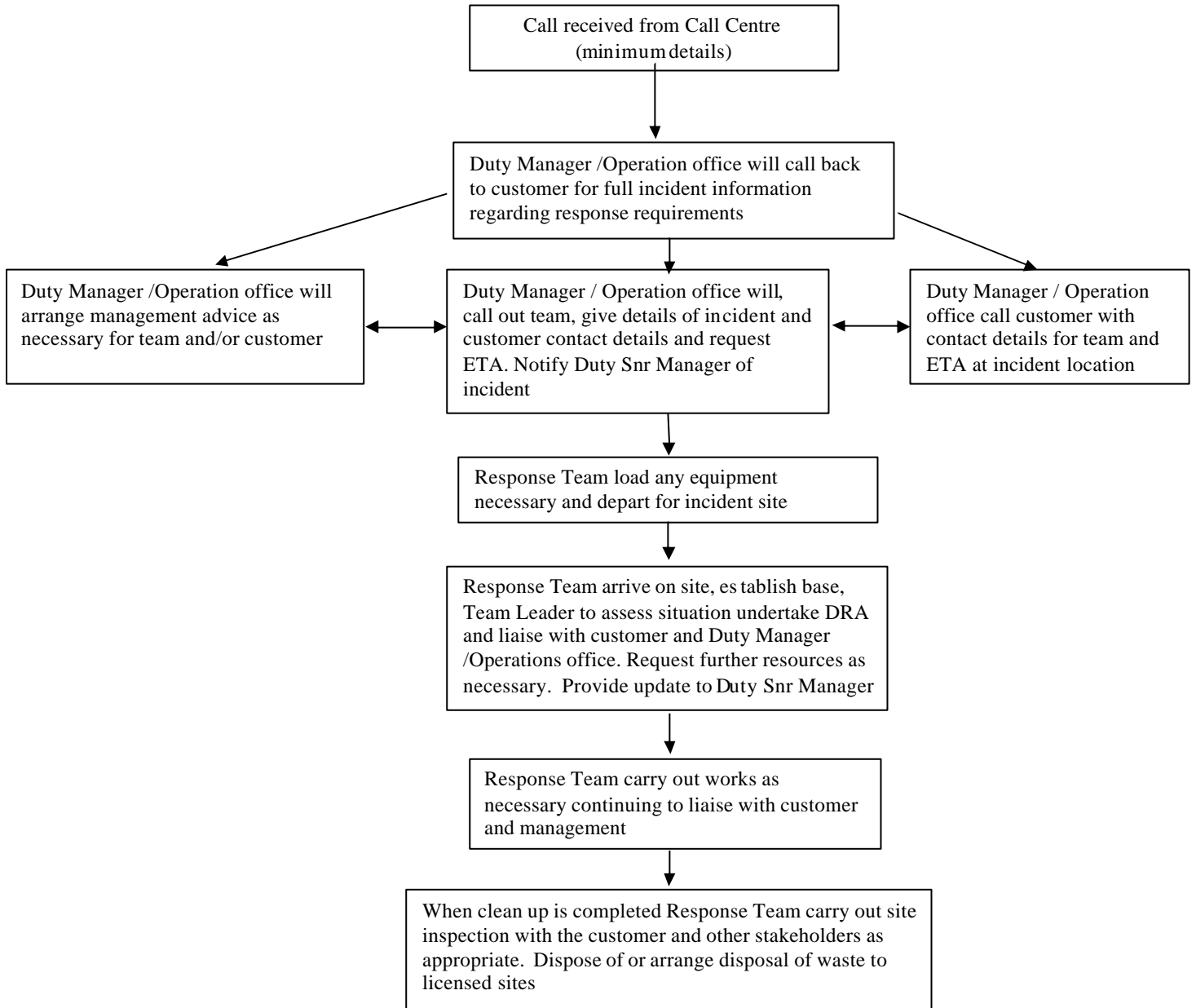
Mob: 07734216934

24 Hour Response: 08700 73 77 66 73



BRAEMAR HOWELLS

BRAEMAR HOWELLS CALL OUT PROCEDURE FOR POLLUTION INCIDENTS



REPORT TO: POLICY AND RESOURCES COMMITTEE - 23 MARCH 2009

REPORT ON: ACHIEVING OUR POTENTIAL: A FRAMEWORK TO TACKLE POVERTY AND INCOME INEQUALITY IN SCOTLAND

REPORT BY: ASSISTANT CHIEF EXECUTIVE

REPORT NO: 158-2009

1. PURPOSE OF REPORT

- 1.1 This report introduces the Scottish Government's framework for tackling poverty and income inequality in Scotland and recommends the development of an action plan derived from the Single Outcome Agreement for Dundee

2. RECOMMENDATIONS

It is recommended that committee:

- 2.1 Notes the recommendations contained in the Scottish Government's Achieving our Potential: a framework to tackle poverty and income inequality in Scotland. Copies have been passed to Group Leaders and the Depute Lord Provost.
- 2.2 Notes that a range of measures to tackle poverty are underway across the Council and the Dundee Partnership.
- 2.3 Remits the Corporate Planning Department to produce a revised Financial Inclusion strategy and action plan while ensuring that the broader causes of poverty are addressed within Single Outcome Agreement delivery plans.

3. FINANCIAL IMPLICATIONS

There are no additional financial implications in this report.

4. BACKGROUND

- 4.1 In November 2008, the Scottish Government published Achieving Our Potential: A Framework to tackle poverty and income inequality in Scotland which sets out a range of measures to address the national target of increasing the proportion of income received by the poorest 30% of households by 2017. The Framework sets out priorities for action across the five main areas:

- tackle income inequalities
- introduce longer-term measures to tackle poverty and drivers of low income
- support those experiencing poverty or at risk of falling into poverty
- make the tax credits and benefits system work better for Scotland
- supporting partners and engaging wider society

- 4.2 The new Single Outcome Agreement for Dundee reinforces the Council's Corporate Plan by identifying tackling inequalities as one of its four top strategic priorities.

- 4.3 Dundee has almost three in ten people living in the most deprived communities in Scotland (those in the 15% most deprived datazones according to the Scottish Index of Multiple Deprivation). Compared with the SIMD 2004, the SIMD 2006 rank has for Dundee moved two datazones out of the 15% most deprived, but added 4 new

datazones to the 15% most deprived. Dundee City has a 5% national share of the 976 datazones that are ranked as the 15% most deprived in Scotland by the SIMD 2006

25% of children in the city live in workless households; in some parts of the city this rises to almost half (47.3%) in DD5. Youth unemployment currently stands at 33.6% of all claimants which is a 2.8% higher than the Scottish average.

The Scottish Index of Multiple Deprivation 2006 shows that across the city Dundee is ranked 4th with 18.6% of the population assessed as income deprived. The ranking rises to 3rd with 10.7% of the national share of population within the 15% most deprived income domain.

While the Financial Inclusion Fund has enabled the Dundee Partnership to accelerate its response to poverty in the city, considerable exclusion persists. The Government's Financial Inclusion Task Force has identified Dundee as the 7th highest 'hotspot' in Britain in relation to the mismatch in the need for, and availability of, third sector affordable credit.

4.4 As a result of work done by the Anti Poverty/Social Inclusion Group and, subsequently, the Financial Inclusion Strategy Group, the Dundee Partnership has a range of actions in place which respond to the framework. Where further measures are required, these will be captured in:

- a revised Financial Inclusion Strategy and Action Plan which will be reported through the Building Stronger Communities strategic theme group
- Single Outcome Agreement delivery plans which will tackle the broad range of factors which impact on poverty and deprivation and which will form the basis of the new Community Plan for Dundee which is scheduled for production in April 2010

5. NATIONAL FRAMEWORK AND THE DUNDEE RESPONSE

5.1 Examples of the ways the Dundee Partnership is tackling poverty and deprivation are set out below along with some outstanding challenges which remain.

5.2 **National Priority: Tackle Income Inequalities**

a) Current Dundee Partnership activity which supports this priority includes:

- The Dundee Employability Partnership and the Discover Opportunities Centre provide targeted support for people to move into training or employment, including aftercare to ensure all in work tax credit and benefits are accessed
- Support to agencies that provide money related advice to achieve the Scottish National Standards for Information and Advice Services
- Information and awareness raising events including Surviving the Credit Crunch Diversity and Financial Inclusion, Careers and Job Fairs and a Money Matters financial education series on local radio

b) The Dundee Partnership will agree measures to progress this national priority which will include:

- support for the take-up of work based qualifications such as NVQs
- development of good practice that reduces the financial barriers to people moving into and sustaining employment

- review of the co-ordination of money related advice

5.3 **National Priority: Longer term measures to tackle poverty and drivers of low income**

a) Current Dundee Partnership activity which supports this priority includes:

- Financial education programmes for children such as Save by the Bell
- The BME (black and minority ethnic) Financial Inclusion programme
- Pre-tenancy financial inclusion support to help tenants sustain their tenancies

b) The Dundee Partnership will agree measures to progress this national priority which will include:

- work closely to an outcomes approach to monitor the longer term impact of activity

5.4 **National Priority: Support those experiencing poverty or at risk of falling into poverty**

a) Current Dundee Partnership activity which supports this priority includes:

- Income maximisation and money advice delivered through the Welfare Benefits team and partners in the voluntary sector
- Support for the take-up of social tariff (reduced fuel costs) for fuel poor households
- White Goods initiative between DEEAP (Dundee Energy Efficiency Advice Project) and Discovery Credit Union promotes access to new discounted energy efficient white goods with affordable finance through DCU
- Support for the OFT (Office of Fair Trading) programme Save Xmas which encourages people to develop a savings habit and thus avoid high cost credit or unregulated savings such as Farepak Hampers
- FAE, Dundee (Financial Awareness Education, Dundee) which works with groups of service users, as well as intermediaries, to increase financial capability and awareness of financial exclusion issues
- independent legal advice to support those who are financially excluded

b) The Dundee Partnership will agree measures to progress this national priority which will include:

- Increased access to affordable credit
- Development of appropriate banking systems to support financial inclusion
- Development of initiatives to support savings and insurances to help people better cope with financial shocks
- Development of an early intervention response to people facing redundancy
- Discussion regarding the possibility of Financial Inclusion input to the Equally Well (health inequalities) test site as a means to help reduce the stigma of poverty and support mental wellbeing

5.5 **National Priority: Making the Benefits and Tax Credits system work better in Scotland**

- a) Current Dundee Partnership activity which supports this priority includes:
- Making Money Work project which specifically provides financial inclusion advice and support for people making the transition into work
- b) The Dundee Partnership will agree measures to progress this national priority which will include:
- Develop and build on relationships with DWP to support benefit and tax credit recipients

5.6 **National Priority: Supporting Partners and Engaging Wider Community**

- a) Current Dundee Partnership activity which supports this priority includes:
- Promote the role of the Social Enterprise Partnership
 - E Zone provision of support for potential entrepreneurs within regeneration areas
 - The success of the award winning social enterprise delivered through the Dundee International Women's Centre
 - Developing social enterprise in areas of deprivation through the Sirolli Project
- b) The Dundee Partnership will agree measures to progress this national priority which will include:
- Consideration of the value of employing the Tackling Poverty Toolkit approach to supporting people at risk of falling into poverty
 - Connecting to Fairer Scotland Community Regeneration Forums and Local Community Planning Partnerships and their engagement frameworks
 - Capturing the engagement delivered through partner agencies and projects

6. **POLICY IMPLICATIONS**

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

6.2 The considerable anti-poverty implications will be addressed in the plans described in para 4.4. above.

7. **CONSULTATIONS**

The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), the Head of Finance and the Director of Leisure and Communities have been consulted in the preparation of this report.

8. **BACKGROUND PAPERS**

Achieving our Potential: a framework to tackle poverty and income inequality in Scotland
- The Scottish Government (November 2008)

Chris Ward
Assistant Chief Executive

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19/03/2009

DUNDEE CITY COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE

REPORT ON: SINGLE STATUS APPEALS RESULTS AND IMPLEMENTATION

REPORT BY: HEAD OF PERSONNEL

REPORT NO: 63-2009

1 PURPOSE OF REPORT

1.1 To advise the Committee of the results of the Single Status Job Evaluation Appeals and to note that the Head of Personnel has implemented the outcomes of the Appeals.

2 RECOMMENDATION

2.1 It is recommended that the Committee:-

2.1.1 notes the outcome of the Single Status Job Evaluation Appeals and the notification to the employees concerned and implementation of grade adjustments, where applicable;

2.1.2 acknowledges the excellent work of the Appeals Panel Chairs, management and trade union members and support staff in arranging and conducting the appeals.

3 FINANCIAL IMPLICATIONS

3.1 The cost of regradings resulting from single status appeals will be contained within departments' Revenue Budgets.

4 MAIN TEXT

4.1 At its meeting of 27 August 2007, the Policy and Resources Committee approved Report No 425-2007 "Implementation of Single Status" by the Assistant Chief Executive (Management). The new Single Status grade structure was implemented with effect from 1 April 2008.

4.2 Amongst other things, Report No 425-2007 indicated that, in accordance with the Single Status Agreement, each local government employee had the right of appeal against his/her grade as determined by job evaluation. The Committee approved the proposal by the Assistant Chief Executive (Management) to agree a local grading appeals procedure (in compliance with the Scottish model procedure) with the trade unions. Following agreement of the procedure, the Assistant Chief Executive (Management) appointed four appeals panel chairs. Two of the appeals panel chairs had management backgrounds and two had trade union backgrounds. Appeals/...

Appeals panel members were drawn from existing employees with management and/or trade union experience. The appeals panel chairs and members received appropriate training prior to commencing hearing appeals.

4.3 Having examined the appeals lodged, it was considered appropriate to re-evaluate certain categories of posts. The majority of appeals were progressed in parallel with this exercise and the appeals and re-evaluations were completed by the end of 2008. However, the outcomes of the re-evaluations occasioned further rights of appeal and these are now being scheduled with final completion anticipated by approximately the end of February.

4.4 Summary of appeals and outcomes:-

945 job evaluation outcome appeals were received.

175 were evaluated or re-evaluated (57 of these resulted in appeals to be heard by 31 March 2009).

20 were not completed correctly and deemed inadmissible.

119 were withdrawn.

631 were heard.

533 were not upheld.

98 were upheld either wholly or in part.

4.5 The end of the financial year 2008/2009 is approaching and the process of notifying employees of the results of their appeals has commenced. Those appeals resulting from the re-evaluation exercise will be heard and the results notified to the employees concerned before 31 March 2009. As agreed with the trade unions, all grade increases will be backdated to 1 April 2008.

4.6 A new procedure for dealing with regrading requests from employees will be discussed and agreed with the trade unions. This will incorporate an appeals mechanism and will be based on the experience gained from the Single Status exercise. The Head of Personnel will report back on this.

4.7 The Head of Personnel wishes to record his appreciation of the excellent and dedicated work of the Appeals Panel Chairs, management and trade union members and employees in all departments, who supported the process of arranging and hearing appeals. A number of appellants thanked panels for their fair hearing of the cases presented and objective treatment of the issues raised.

5 **POLICY IMPLICATIONS**

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management. There are no major issues in connection with these.

6 CONSULTATIONS

- 6.1 The Chief Executive, Depute Chief Executive (Finance), Depute Chief Executive (Support Services), Assistant Chief Executive and Head of Finance have been consulted on this report. The GMB, UNISON and UNITE participated in the Appeals process and are aware of the outcomes.

7 BACKGROUND PAPERS

- 7.1 None.

I M M Martin
Head of Personnel

16 March 2009