



City Chambers  
DUNDEE  
DD1 3BY

4th January, 2013

Dear Sir or Madam

You are requested to attend a MEETING of the **POLICY AND RESOURCES COMMITTEE** to be held in the City Chambers, City Square, Dundee on Monday, 14th January, 2013 following the meetings of the City Council, Environment and Housing Committees called for 6.00 pm.

Yours faithfully

DAVID K DORWARD

Chief Executive

### **AGENDA OF BUSINESS**

#### **1 DECLARATION OF INTEREST**

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 would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

#### **2 MINUTE - SUPERANNUATION INVESTMENT SUB-COMMITTEE - 26TH NOVEMBER, 2012**

The minute of meeting of the above Sub-Committee, a copy of which is appended hereto is submitted for information and record purposes.

#### **3 REVENUE MONITORING 2012/2013**

(Report No 7-2013 enclosed).

#### **4 CAPITAL EXPENDITURE MONITORING 2012/2013**

(Report No 6-2013 enclosed).

#### **5 RELIEF OF RATES - CHARITY RELIEF**

(Report No 13-2013 enclosed).

**6 DUNDEE COMMUNITY REGENERATION FUND**

(Report No 20-2013 enclosed).

**7 HOSPITAL FUND AND JOHNSTON BEQUEST**

(Report No 452-2013 enclosed).

**8 MODERN APPRENTICE SCHEME**

(Report No 27-2013 enclosed).

**9 REVIEW OF STAFF TRAINING FUNCTION**

(Report No 24-2013 enclosed).

**10 SCOTTISH WELFARE FUND**

(Report No 491-2012 enclosed).

**11 IMPLEMENTATION OF WELFARE RIGHTS STRATEGY**

(Report No 26-2013 enclosed).

**12 OPERATING MODEL REDESIGN ADMINISTRATIVE AND SUPPORT FUNCTION**

(Report No 25-2013 enclosed).

**13 DUNDEE FAIRNESS ACTION PLANS - FIRST PROGRESS REPORT**

(Report No 22-2013 enclosed).

**14 TREASURY MANAGEMENT ACTIVITY 2012/2013 (SIX MONTHS TO 30TH SEPTEMBER, 2012)**

(Report No 485-2012 enclosed).

**15. REVISED LOCAL GOVERNMENT FINANCE SETTLEMENT 2013/14 AND 14/15 - FINANCIAL IMPLICATIONS FOR THE CITY COUNCIL AND REVENUE BUDGET/COUNCIL TAX SETTING PROCEDURE**

Report No 490-2012 enclosed)

## APPENDIX II

At a MEETING of the **SUPERANNUATION INVESTMENT SUB-COMMITTEE OF THE POLICY AND RESOURCES COMMITTEE** held at Dundee on 26th November, 2012.

Present:-

BAILIES

Ian BORTHWICK

COUNCILLORS

Jimmy BLACK  
Kevin CORDELL

Gregor MURRAY

Brian GORDON

Councillor Jimmy BLACK, Depute Convener, in the Chair.

Unless marked thus \* all items stand delegated.

### **I DECLARATION OF INTEREST**

No declarations of interest, were made.

### **II PROPOSED TIMETABLE OF MEETINGS FOR 2013**

There was submitted Report No 461-2012 by the Director of Corporate Services proposing a suggested programme of meetings of the Superannuation Investment Sub-Committee to cover investment performance and issues arising in 2013.

The Sub-Committee examined the dates set out in the timetable at Appendix 1 and agreed the proposed programme of meetings.

### **III SOCIALLY RESPONSIBLE INVESTMENT SIX MONTHLY REPORT**

There was submitted Report No 460-2012 by the Director of Corporate Services reviewing the progress by the Fund Managers regarding the positive engagement Policy on Environmental, Social and Corporate Governance approved by the Sub-Committee on 17 November 2008.

The Sub-Committee noted the information contained within the report with regard to the activities of the Fund Managers during the six month period ended 30 September 2012.

### **IV INVESTMENT IN TOBACCO**

This item was withdrawn.

### **V STATEMENT OF ACCOUNTS AND EXTERNAL AUDITOR'S ANNUAL REPORT**

There was submitted Agenda Note AN197-2012 advising the Sub-Committee that the following reports had been submitted to the Scrutiny Committee on 24th September, 2012:-

Report No 379-2012 - 2011/2012 Draft Audited Statement of Accounts for Tayside Superannuation Funds.

Report No 380-2012 - External Auditor's Annual Report; and

Report No 381-2012 - Tayside Superannuation Funds 2011/2012 Accounts and Audit.

The Reports could be accessed via the link below:-

<http://www.dundee.gov.uk/reports/agendas/sc240912.pdf#navpanes=0>

The Sub-Committee noted accordingly.

**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.**

## **VI TAYSIDE SUPERANNUATION FUNDS**

### **(a) PERFORMANCE SUMMARIES**

There was submitted Report No 458-2012 by the Director of Corporate Services reviewing the investment performance of the Main Fund's five Fund Managers (including Property) for the quarter to 30 September 2012. It also considered the performance of the Transport Fund which shared three of these managers.

The report compared investment performances of the Funds with the Funds' specific benchmarks which consisted of various stock market indices.

### **(b) SUMMARIES OF INVESTMENTS AND TRANSACTIONS**

There was submitted Report No 434-2012 by the Director of Corporate Services reviewing the investment activities of the Main Fund's six Fund Managers for the quarter to 30 September 2012. 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.

### **(c) QUARTERLY FUNDING REPORT**

There was submitted Report No 459-2012 by the Director of Corporate Services.

This report reviewed the current funding level of the Funds as assessed by the Fund Actuary.

The Sub-Committee noted the report by the Fund Actuary.

## **VII ANNUAL REVIEW OF INVESTMENT PERFORMANCE 2012**

There was submitted Report No 462-2012 by the Director of Corporate Services considering the Fund Independent Consultant's paper 'Annual Review of Investment Performance' November 2012 and its recommendations for change.

The Sub-Committee noted the report and agreed its recommendations.

## **VIII REVIEW OF PERFORMANCE**

The Fund Independent Consultant submitted a report reviewing the performance of the Funds and the individual managers over the year.

The Sub-Committee noted the content of the report.

**IX PRESENTATION**

Douglas Stewart and Nick Davidson of Alliance Bernstein gave a short presentation, reviewing the performance during 2012 in respect of the Tayside Superannuation Fund and outlining its portfolio strategy for the future.

It was noted that due to the current financial climate, the fund had underperformed against benchmark however they were confident that performance would improve in the future.

After Mr Stewart and Mr Davidson had made their presentation and answered questions from members, they were thanked for their presentation by the Convener.

Jimmy BLACK, Depute Convener.

**REPORT TO: POLICY & RESOURCES COMMITTEE – 14 JANUARY 2013**

**REPORT ON: REVENUE MONITORING 2012/2013**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 7-2013**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2012/2013 Projected Revenue Outturn as at 30 November 2012 monitored against the adjusted 2012/2013 Revenue Budget.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that Elected Members:
- a note that the overall General Fund 2012/2013 Projected Revenue Outturn as at 30 November 2012 shows an overspend of £1,050,000 against the adjusted 2012/2013 Revenue Budget.
  - b note that the Housing Revenue Account as at 30 November 2012 is projecting a breakeven position against the adjusted HRA 2012/2013 Revenue Budget.
  - c agree that the Director of Corporate Services will take every reasonable action to ensure that the 2012/2013 Revenue expenditure is below or in line with the adjusted Revenue Budget.
  - d instruct the Director of Corporate Services in conjunction with all Chief Officers of the Council to continue to monitor the Council's 2012/2013 Projected Revenue Outturn.

## **3 FINANCIAL IMPLICATIONS (see Appendix A)**

- 3.1 The overall projected 2012/2013 General Fund Revenue outturn position for the City Council shows an overspend of £1,050,000 based on the financial information available at 30 November 2012. A system of perpetual detailed monitoring will continue to take place up to 31 March 2013 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2012/2013 Revenue Budget.
- 3.2 The Housing Revenue Account outturn position for 2012/2013 is currently projecting a breakeven position based on the financial information available for the period to 30 November 2012. A system of perpetual detailed monitoring will continue to take place up to 31 March 2013 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2012/2013 HRA Revenue Budget.

## **4 BACKGROUND**

- 4.1 Following approval of the Council's 2012/2013 Revenue Budget by the Special Policy and Resources Committee on 9 February 2012 this report is now submitted in order to monitor the 2012/2013 Projected Revenue Outturn position as at 31 October 2012, against the adjusted 2012/2013 Revenue Budget.
- 4.2 This report provides a detailed breakdown of departmental revenue monitoring information along with explanations of material variances against adjusted budgets. Where departments are projecting a significant under or overspend against adjusted budget, additional details have been provided. Where departmental expenditure is on target and no material variances are anticipated, additional information has not been provided.

## 5 RISK ASSESSMENT

5.1 In preparing the Council's 2012/2013 Revenue Budget, the Director of Corporate Services considered the key strategic, operational and financial risks faced by the Council over this period (please refer to report 68-2012, approved by Special Policy & Resources Committee on 9 February 2012, for further details). In order to alleviate the impact these risks may have should they occur, a number of general risk mitigation factors are utilised by the Council. These include the:

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

5.2 The key risks in 2012/2013 have now been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. These risks have been ranked as either zero, low, medium or high. Details of this risk assessment, together with other relevant information including any proposed actions taken by the Council to mitigate these risks, are included in Appendix D to this report.

## 6 GENERAL FUND SERVICES - MONITORING POSITION AS AT 30 NOVEMBER 2012

6.1 The forecast position as at 30 November 2012 for General Fund services is summarised below:

	<u>Adjusted Budget 2012/13 £000</u>	<u>Forecast 2012/13 £000</u>	<u>Variance £000</u>
Total Expenditure	359,753	360,803	1,050
Total Income	<u>(359,753)</u>	<u>(359,753)</u>	—
Forecast Overspend	<u>—</u>	<u>1,050</u>	<u>1,050</u>

The forecast position as at 30 November 2012 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. The main budget adjustments that have been made so far, relate to the centralisation of property costs budgets within City Development (£12.862m) and carry forward of various unspent budgets from last year (£1.893m). For further details please refer to Appendix C.

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

6.2 The following paragraphs summarise the main areas of variance by department along with appropriate explanations. It should be emphasised that this report identifies projections based on the first eight months of the financial year to 30 November 2012. The figures are therefore indicative at this stage and are used by the Chief Executive, Director of Corporate Services and Chief Officers to identify variances against budget and enable corrective action to be taken as appropriate.

**Departmental Commentary**

6.3 Social Work (£1,450,000 overspend)

The majority of this overspend reflects cost pressures surrounding Adults Services, where payments for care placements continue to be significantly greater than budgeted. In addition, within Children Services, payments for family placements have risen due to the increased number of children requiring to be looked after and accommodated by the service together with an increase in the number of residential and secure placements being made. These variances will be partly offset by savings that are anticipated due to slippage in staff costs across the department and various additional income projected to be received by the department.

6.4 Environment (£150,000 underspend)

This reflects the anticipated underspends on landfill and ash contracts following the temporary closure of the DERL facility. These underspends are partly offset by increased expenditure on gate fees due to a higher than budgeted inflation uplift in this contract.

6.5 Capital Financing Costs / IORB (£250,000 underspend)

The above reflects a projected saving due to lower than anticipated interest rates together with a reduction in required level of borrowing due to slippage on expenditure in 2012/13 capital programme.

**7 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 30 NOVEMBER 2012**

7.1 The forecast position as at 30 November 2012 for the HRA is summarised below:

	<b><u>Adjusted Budget 2012/13 £000</u></b>	<b><u>Forecast 2012/13 £000</u></b>	<b><u>Variance £000</u></b>
Total Expenditure	53,043	52,998	(45)
Total Income	<u>(53,043)</u>	<u>(52,998)</u>	<u>45</u>
Forecast Position	_____ -	_____ -	_____ -

7.2 Whilst expenditure on relets and repairs is projected to be greater than budgeted due to increased level of work being carried out, this is projected to be offset by lower than anticipated capital financing costs (please refer to Appendix B for further details). The overall impact is a breakeven position against the adjusted HRA 2012/2013 Revenue Budget. A system of perpetual detailed monitoring will continue to take place up to 31 March 2013 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2012/2013 HRA Revenue Budget.



**8 CONCLUSION**

As in previous years, the Director of Corporate Services will work with all Chief Officers of the Council to monitor the Council's 2012/2013 Revenue Budget and, through prudent budget management, take every reasonable action to achieve an outturn position below or in line with the approved 2012/2013 Revenue Budget.

**9 POLICY IMPLICATIONS**

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

There are no major issues.

**10 CONSULTATIONS**

The Chief Executive, Head of Democratic and Legal 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.

**11 BACKGROUND PAPERS**

None.

**MARJORY M STEWART  
DIRECTOR OF CORPORATE SERVICES**

**21 DECEMBER 2012**

**DUNDEE CITY COUNCIL**  
**2012/2013 REVENUE OUTFURN MONITORING**  
**PERIOD 1 APRIL 2012 - 30 NOVEMBER 2012**

**Appendix A**

Statement analysing 2012/2013 Projected Revenue Outturn to Budget (Capital Charges, Central Support & Central Buildings Recharges have been excluded from Departments as these costs are outwith their control).

	<b>Approved Budget £000</b>	<b>Budget Adjustments £000</b>	<b>Adjusted Budget £000</b>	<b>Forecast £000</b>	<b>Worse Than Budget £000</b>	<b>Better Than Budget £000</b>	<b>Net Variance £000</b>	<b>Notes</b>
<b>General Fund Departments</b>								
Social Work	91,162	(2,624)	88,538	89,988	1,450		1,450	1
City Development	12,142	13,166	25,308	25,308				
Education	120,724	(2,531)	118,193	118,193				
Environment	22,209	(1,686)	20,523	20,373		(150)	(150)	2
Chief Executive	25,536	(3,408)	22,128	22,128				
Corporate Services	17,016	(2,085)	14,931	14,931				
Other Housing	3,189	373	3,562	3,562				
Supporting People	12,161		12,161	12,161				
	-----	-----	-----	-----	-----	-----	-----	
	304,139	1,205	305,344	306,644	1,450	(150)	1,300	
Miscellaneous Income	(2,648)		(2,648)	(2,648)				
Capital Financing Costs /								
Interest on Revenue Balances	24,172	291	24,463	24,213		(250)	(250)	3
Contingencies								
- General	520	(158)	362	362				
- Energy Costs	603		603	603				
- Corporate Savings: VER / VR Scheme	(458)	545	87	87				
Discretionary NDR Relief	147		147	147				
Supplementary Superannuation Costs	1,947	10	1,957	1,957				
Tayside Joint Police Board	16,223		16,223	16,223				
Tayside Fire & Rescue Board	12,264		12,264	12,264				
Tayside Valuation Joint Board	951		951	951				
	-----	-----	-----	-----	-----	-----	-----	
<b>Total Expenditure</b>	357,860	1,893	359,753	360,803	1,450	(400)	1,050	
<b>Sources of Income</b>								
General Revenue Funding /								
Contribution from NNDR Pool	(299,395)		(299,395)	(299,395)				
Council Tax	(57,522)		(57,522)	(57,522)				
Use of Balances -								
Committed Balances c/f	(943)	(1,893)	(2,836)	(2,836)				
	-----	-----	-----	-----	-----	-----	-----	
<b>(Surplus)/Deficit for the year</b>	0	0	0	1,050	1,450	(400)	1,050	
	=====	=====	=====	=====	=====	=====	=====	
<b>Housing Revenue Account</b>	0		0	0			0	4
	=====	=====	=====	=====	===	===	===	

**REASONS FOR 2012/2013 CONTROLLABLE PROJECTED REVENUE OVERTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**

Appendix B

**AT 30 NOVEMBER 2012**

<u>Department</u>	<u>Note</u>	<u>Total</u> <u>Variance</u> <u>£000</u>	<u>Previous</u> <u>Months</u> <u>Total</u> <u>Variance</u> <u>£000</u>	<u>Cost Centre</u>	<u>Subjective</u> <u>Analysis</u>	<u>Breakdown</u> <u>of Projected</u> <u>Variance</u> <u>£000</u>	<u>Breakdown</u> <u>of Previous</u> <u>Months</u> <u>Projected</u> <u>Variance</u> <u>£000</u>	<u>Reason / Basis of Over/(Under)Spend</u>
<u>Social Work</u>	1	1,450	1,200	Departmental	Staff Costs	(400)	(400)	Reflects projected savings due to delays in filling staff vacancies.
				Older People	Income	(661)	(661)	Reflects repayment of underspends on externally purchased services from social care providers.
				Adults	Third Party Payments	305	247	Mainly due to increased costs and demand of Free Personal Care placements.
				Children	Third Party Payments	1,654	1,411	Reflects continuous cost pressures surrounding Adult Care, including net additional costs due to the provisioning of care and support arrangements for the residents of Rosebank Care Home.
<u>Environment</u>	2	(150)	Nil	Environment Protection	Third Party Payments	219	219	Reflects an increased number of residential and secure care placements being made.
				Corporate	Third Party Payments	333	384	Increase in number of children requiring to be looked after and accommodated by family placement service.
<u>Capital Financing Costs/ORB</u>	3	(250)	(100)	Capital Financing Costs/ORB	Capital Financing Costs/ORB	(150)	(100)	Reflects net anticipated underspends on landfill and ash contracts following temporary closure of DERL facility. These variances are partly offset by increased expenditure on gate fees due to a higher than budgeted inflation uplift in the contract.
<u>Housing</u>	4	Nil	Nil	Repairs & Relets	Repairs & Relets	585	350	Mainly reflects the level of responsive repairs that are currently being required.
				Income	Income	64	64	Reflects reduction in hostel grant received from Scottish Government.
				Rent of Houses	Rent of Houses	(19)	(26)	Increased rental income mainly due to a higher level of housing stock than budgeted.
				Capital Financing Costs	Capital Financing Costs	(630)	(388)	Reflects projected savings on capital financing costs due to a combination of lower than anticipated interest rates and actual level of borrowing being less than expected.

**Appendix C**

<b>General Fund Departments</b>	<b>Alloc From Conts</b>	<b>2011/12 Under spends</b>	<b>Alloc from R&amp;R Fund</b>	<b>Alloc from Other Bals</b>	<b>T/Fs Between Depts</b>	<b>Property Costs T/Fs</b>	<b>Vol Early Retiral/ Redund Scheme</b>	<b>Dept Totals</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Education</b>								
1. DSM Balances		521						
2. Prudential Borrowing costs (Ballumbie PS)					(260)			
3. T/f net Staff costs to/from Corporate Services					(3)			
4. T/f of Property costs to City Development						(2,758)		
5. Prudential Borrowing costs (West End PS)					(31)			
								(2,531)
<b>Social Work</b>								
1. Community Equipment Service		86						
2. Violence Against Women Team		91						
3. Choose Life Project		12						
4. Integrated Children Services		86						
5. Self Directed Support Scheme		35						
6. T/f Staff costs to General Fund							(77)	
7. Contribution towards MARS Hub Funding	4							
8. Contribution towards Welfare Rights Team	53							
9. T/f of Property costs to City Development						(2,912)		
10. T/f of various costs to Chief Executive (Douglas Community Centre)					(2)			
								(2,624)
<b>City Development</b>								
1. Flood Risk Management		143						
2. T/f Staff costs to General Fund							(31)	
3. Contribution towards City Jet Flight	56							
4. T/f of Property costs from various departments						12,973		
5. T/f Staff costs from Chief Executive					25			
								13,166
<b>Environment</b>								
1. DERL / Waste Strategy		472						
2. Various other commitments c/fwd		64						
3. T/f Staff costs to General Fund							(253)	
4. T/f of Property costs to City Development						(1,969)		
								(1,686)
<b>Chief Executive</b>								
1. T/f Staff costs to General Fund							(17)	
2. T/f Staff costs to Corporate Services					(85)			
3. T/f of Property costs to City Development						(3,308)		
4. T/f Staff costs to City Development					(25)			
5. Dudhope Arts Centre (Development Officer)	15							
6. National Performance Centre (Consultancy Fees)	30							
7. T/f of various costs from Social Work (Douglas Community Centre)					2			
8. Leadership Programme					(20)			
								(3,408)
<b>Corporate Services</b>								
1. Computer Audit Software (Finance General)		10						
2. T/f Staff costs to General Fund							(177)	
3. T/f net Staff costs to/from Education					3			
4. T/f Staff costs from Chief Executive					85			
5. T/f of Property costs to City Development						(2,026)		
6. Leadership Programme					20			
								(2,085)
<b>Other Housing</b>								
1. Private Sector Housing Grant		373						
								373
<b>Capital Financing Costs / IORB</b>								
1. T/f Prudential Borrowing costs from Education (Ballumbie PS)					260			
2. T/f Prudential Borrowing costs from Education (West End PS)					31			
								291
<b>General Contingency</b>								
1. T/f to City Development (City Jet Flight)	(56)							
2. T/f to Social Work (MARS Hub Funding)	(4)							
3. T/f to Social Work (Welfare Rights Team)	(53)							
4. T/f to Chief Exec (Dudhope Arts Centre)	(15)							
5. T/f to Chief Exec (National Performance Centre)	(30)							
								(158)
<b>Supplementary Superannuation</b>								
1. T/f Supplementary Supn costs from various departments							10	
								10

**Appendix C**

<b><u>General Fund Departments</u></b>	<b><u>Alloc From Conts</u></b>	<b><u>2011/12 Under spends b/fwd</u></b>	<b><u>Alloc from R&amp;R Fund</u></b>	<b><u>Alloc from Other Bals</u></b>	<b><u>T/Fs Between Depts</u></b>	<b><u>Property Costs T/Fs</u></b>	<b><u>Vol Early Retiral/ Redund Scheme</u></b>	<b><u>Dept Totals</u></b>
	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>
<u>Corporate Savings Contingency: VER / VR Scheme</u>								
1. T/f from various departments							545	545
<b>Total Adjustments (General Fund)</b>	0	1,893	0	0	0	0	0	1,893
<u>Housing Revenue Account</u>								0
<b>Total Adjustments (HRA)</b>	0	0	0	0	0	0	0	0

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

**REPORT TO: POLICY & RESOURCES COMMITTEE – 14 JANUARY 2013**

**REPORT ON: CAPITAL EXPENDITURE MONITORING 2012/13**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 6-2013**

## 1 PURPOSE OF REPORT

- 1.1 To appraise Elected Members of the latest position regarding the Council's Capital Expenditure programme for 2012/13.

## 2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Expenditure programme for 2012/13.

## 3 FINANCIAL IMPLICATIONS

- 3.1 This report shows the latest projections on capital projects along with actual spend to 30 November 2012.

	<b>General Services Capital 2012/13 £000</b>	<b>Housing HRA Capital 2012/13 £000</b>
Approved Budget	58,094	24,032
Budget Adjustments	<u>2,608</u>	<u>---</u>
Revised Budget	<u>60,702</u>	<u>24,032</u>
Projected Outturn	<u>60,702</u>	<u>24,152</u>
Variance over/(under) Budget	<u>---</u>	<u>120</u>
Actual Spend to 30 November 2012	<u>28,491</u>	<u>10,513</u>

An explanation of the major variances since the capital plan was approved at Committee is shown in Section 5 of the report. In terms of the percentage of actual capital spend to projected outturn, General Services and Housing HRA Capital as at 30 November 2012 were 47% and 44% respectively, compared with 53% and 57% respectively for the comparable period to 30 November 2011.

## 4 BACKGROUND

- 4.1 The Special Policy & Resources Committee of 9 February 2012 approved the 2012/13 Capital Budget for General Services (Report 48-2012). The Capital Plan 2012-2016 was split into the key areas of asset ownership (excluding Council Housing which is dealt with in Housing HRA Capital Plan 2012-2017) and projects included in the Capital Plan 2012-16 are derived from the need to match the asset portfolio with service delivery needs and priorities, and the capital programme is being monitored in conjunction with the asset managers.

The Housing HRA Capital Programme 2012/13 was approved at the Policy & Resources Committee on 23 January 2012 (Report 19-2012). 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 2012/13 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 asset portfolios/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 Projected Outturn for 2012/13 of £60.702m, a decrease in net expenditure of £349,000 since last months capital monitoring report. The reason for this is detailed below.

- 5.1.1 Reduction in expenditure of £349,000 on Birkhill Cemetery Extension (Open Space). This budget has been rephrased to reflect the latest timescale for the project. This expenditure will be required in 2013/14 and will be funded from borrowing.

### 5.2 Capital Resources

- 5.2.1 The table below shows the latest position:-

	<b>Approved Budget £000</b>	<b>Adjustments £000</b>	<b>Revised Budget £000</b>	<b>Projected Outturn £000</b>	<b>Variance £000</b>
General Capital Grant	7,113	1,354	8,467	8,467	-
Capital Receipts/Capital Fund	1,600	-	1,600	1,600	-
Capital Funded from Current Revenue	822	(494)	328	328	-
Borrowing	<u>45,659</u>	<u>4,648</u>	<u>50,307</u>	<u>50,307</u>	-
	<u>55,194</u>	<u>5,508</u>	<u>60,702</u>	<u>60,702</u>	-

- 5.2.2 The net reduction in Borrowing of £349,000 from last month's capital monitoring report is due to the reason as detailed above in para 5.1.1 above.



- 5.3 The table below shows the effect of 2012/13 adjustments on future years and how these adjustments are financed.

	<b>2012/13</b> <b>£000</b>	<b>2013/14</b> <b>£000</b>	<b>2014/15</b> <b>£000</b>
Adjustments Per Monitoring (per Appendix 3)	<u>2,608</u>	<u>8,169</u>	<u>4,358</u>
Financed By:-			
General Capital Grant	1,354	4,471	937
Capital Receipts/Capital Fund	-	-	-
Capital Funded from Current Revenue	(494)	-	-
Borrowing	<u>1,748</u>	<u>3,698</u>	<u>3,421</u>
	<u>2,608</u>	<u>8,169</u>	<u>4,358</u>

## 6 HOUSING HRA - CURRENT POSITION

- 6.1 Appendix 2 details the actual spend and the latest projected outturns within Housing HRA Capital Programme. Appendix 1 summarises this information and shows the latest projection of capital resources required to finance the expenditure.

The latest capital monitoring statement shows a Projected Outturn of £24.152m, an increase in projected expenditure of £118,000 since last months capital monitoring report. The main reasons for this are detailed below.

- 6.1.1 Heating, Kitchens and Bathrooms shows a decrease in projected outturn of £62,000. This is due to revisions to the quantity surveyors' estimates for projects within this programme.
- 6.1.2 Healthy, Safe and Secure – Door Entry Systems/Secure Doors shows an increase in projected outturn of £50,000. This is due to an increase in the programme following additional uptake from occupants.
- 6.1.3 Increased Supply of Council Housing – New Build shows an increase in projected outturn of £89,000. This is due to an increase in the estimated costs of the Ann Street/Nelson Street project.
- 6.2 The latest capital monitoring shows projected capital resources of £21.205m, an increase in resources of £175,000 since the capital budget was approved. This is due to an increase in the anticipated receipts from Council House Sales and Land Sales.
- 6.3 Projected capital expenditure as a percentage of projected capital resources is currently standing at 114%. This variance between expenditure and resources will be met by additional slippage identified throughout the year.

## 7 RISK ASSESSMENT

- 7.1 There are a number of risks which may have an impact on the Capital Expenditure programme for 2012/13. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.

- 7.2 Currently, building cost inflation levels are low, however, they can on occasion be relatively high in comparison to general inflation. Therefore delays in scheduling and letting contracts may lead to increases in projected costs. In such an event, every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.
- 7.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. For this reason the programme is carefully monitored and any potential slippage is identified as soon as possible and any corrective action taken.
- 7.4 Capital projects can be subject to unforeseen price increases. The nature of building projects is such that additional unexpected costs can occur. The Council is currently experiencing very competitive tenders. Contingencies are built into the budget for each capital project and these will be closely monitored throughout the project.
- 7.5 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital Programmes will be adjusted to reflect updated cost estimates.
- 7.6 The accurate projection of the value and timing of capital receipts from asset sales is difficult in the current economic climate. There is therefore a risk that the level of capital receipts assumed in the financing of the capital programme will not be achieved. In preparing the capital plan the Council has budgeted for a low level of Capital receipts being achieved. The Council has a Capital Fund which can be used to cover any shortfall, in the short-term, in the level of receipts required. Similarly, additional borrowing can be used to cover any temporary shortfalls in capital receipts.
- 7.7 The amount and timing of capital receipts can also be difficult to accurately project as sales are often conditional on planning permission and other non-financial factors. This is the case even in times of relative economic stability.
- 7.8 General Capital Grant is received from Scottish Government via the Local Government Finance Settlement each year. The level of Grant for 2012/13 to 2014/15 has been announced. There is a risk that the level of capital grant assumed in preparation of the 2012-16 Capital Plan, will not be realised. This may necessitate a review of the Council's Capital Programme in 2015/16. The officers are of the view that the projected capital grant assumed within the Capital Plan for 2015/16 is prudent.
- 7.9 Capital projects must be affordable in terms of their impact on the Council's Revenue Budget. The option appraisal process should ensure that the revenue impact of capital projects has been calculated and reflected in future years' Revenue Budgets.

## **POLICY IMPLICATIONS**

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

There are no major issues.

9 **CONSULTATION**

9.1 The Chief Executive and Director of Housing have been consulted in the preparation of this report.

10 **BACKGROUND PAPERS**

10.1 None

**MARJORY M STEWART  
DIRECTOR OF CORPORATE SERVICES  
12 DECEMBER 2012**

**GENERAL SERVICES**

	Approved Capital Budget 2012/13 £000	Carry Forward from 2011/12 £000	Budget Adjust £000	Carryforward into Future Years £000	Virements £000	Total Budget Adjustments £000	Revised Capital Budget 2012/13 £000	Actual Spend 31 Oct 2012 £000	Actual Spend 30 Nov 2012 £000	Projected Outturn 2012/13 £000	Variance £000	Spend as a % of Projected Outturn
<b>Capital Expenditure 2012/13</b>												
<b>Buildings &amp; Property:-</b>												
Education	15,101	966			(27)	939	16,040	8,700	9,943	16,040	0	62%
Social Work	5,102	713		(1,542)	569	(260)	4,842	920	1,342	4,842	0	28%
City Development	11,545	1,557	463	(1,093)	(20)	907	12,452	2,221	2,534	12,452	0	20%
Leisure & Culture	11,089	934		(182)	(550)	202	11,291	6,574	7,910	11,291	0	70%
Environment	675	368	(600)		0	(232)	443	19	20	443	0	5%
Chief Executive Corporate Services	1,880	40	(50)	(145)	(19)	(174)	1,706	35	15	1,706	0	1%
<b>Open Space</b>	3,198	502		(349)		153	3,351	1,062	1,170	3,351	0	35%
<b>Roads Infrastructure</b>	6,664	1,280		(391)	47	936	7,600	4,579	4,817	7,600	0	63%
<b>Vehicle Fleet</b>	1,170	30	162			192	1,362	(87)	(104)	1,362	0	-8%
<b>Information &amp; Communications Technology</b>	1,670	(5)	(50)			(55)	1,615	703	844	1,615	0	52%
<b>Capital Expenditure 2012/13</b>	<b>58,094</b>	<b>6,385</b>	<b>(75)</b>	<b>(3,702)</b>	<b>0</b>	<b>2,608</b>	<b>60,702</b>	<b>24,726</b>	<b>28,491</b>	<b>60,702</b>	<b>0</b>	<b>47%</b>
<b>Capital Resources 2012/13</b>												
<b>Expenditure Funded from Borrowing</b>	45,659	6,204	(754)	(802)		4,648	50,307	18,103	20,955	50,307		
<b>Capital Grants</b>	7,113		1,354			1,354	8,467	6,584	7,147	8,467		
<b>Capital Funded from Current Revenue</b>	822	181	(675)			(494)	328			328		
<b>Capital Receipts:-</b>												
Net Asset Sales/ Capital Fund Contribution	1,600					0	1,600	39	389	1,600		
<b>Capital Resources 2012/13</b>	<b>55,194</b>	<b>6,385</b>	<b>(75)</b>	<b>(802)</b>	<b>0</b>	<b>5,508</b>	<b>60,702</b>	<b>24,726</b>	<b>28,491</b>	<b>60,702</b>		
<b>Capital Expenditure as % of Capital Resources</b>	<b>105%</b>						<b>100%</b>			<b>100%</b>		

**HOUSING HRA**

	Approved Capital Budget 2012/13 £000	Carry Forward from 2011/12 £000	Budget Adjust £000	Carryforward into Future Years £000	Virements £000	Total Budget Adjustments £000	Revised Capital Budget 2012/13 £000	Actual Spend 31 Oct 2012 £000	Actual Spend 30 Nov 2012 £000	Projected Outturn 2012/13 £000	Variance £000	Spend as a % of Projected Outturn
<b>Capital Expenditure 2012/13</b>												
Free from Serious Disrepair - Roofs	568					0	568	577	593	667	99	89%
Free from Serious Disrepair - Roughcast	475					0	475	2	10	55	(420)	18%
Free from Serious Disrepair - Windows	44					0	44	5	5	48	4	10%
Energy Efficient - External Insulation and Cavity Fill	5,387					0	5,387	1,453	1,917	6,549	1,162	29%
Energy Efficient - Heating, Kitchens and Bathrooms	10,713					0	10,713	4,851	5,735	11,179	466	51%
Energy Efficiency - Boiler replacement	50					0	50	147	152	250	200	61%
Energy Efficiency - Renewables Initiatives	1,000					0	1,000	3	11	1,000	0	1%
Modern Facilities & Services - Individual Shower Programme	50					0	50	38	44	50	0	88%
Healthy, Safe & Secure - Fire Detection	25					0	25	0	0	5	(20)	0%
Healthy, Safe & Secure - Door Entry System & Secure Doors	1,137					0	1,137	635	722	937	(200)	77%
Healthy, Safe & Secure - Security and Stair Lighting	200					0	200	0	0	7	(193)	0%
Miscellaneous - Fees	20					0	20	21	23	50	30	46%
Miscellaneous - Disabled Adaptations	750					0	750	363	410	750	0	55%
Major Adaptations	20					0	20	0	0	0	(20)	0%
Paths & Footpaths for SHQS	250					0	250	0	0	50	(200)	0%
Buttress Place Improvements	186					0	186	79	157	214	28	73%
Increase Supply of Council Housing	490					0	490	211	242	579	89	42%
Demolitions	2,897					0	2,897	498	614	2,042	(855)	30%
Owners Receipts	(620)					0	(620)	(276)	(293)	(620)	0	47%
Community Care - Sheltered Lounge Upgrades	40					0	40	2	3	40	0	8%
Community Care - Warden Call Replacement	350					0	350	168	168	300	(50)	56%
<b>Capital Expenditure 2012/13</b>	<b>24,032</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,032</b>	<b>8,777</b>	<b>10,513</b>	<b>24,152</b>	<b>120</b>	<b>44%</b>

**Capital Resources 2012/13**

Expenditure Funded from Borrowing	17,380					0	17,380	6,986	8,286	17,380		
Capital Receipts:-												
Council House Sales	2,500					0	2,500	1,334	1,695	2,610		
Land Sales	350					0	350	14	14	465		
Sale of Last in Block	800					0	800	443	518	750		
<b>Capital Resources 2012/13</b>	<b>21,030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,030</b>	<b>8,777</b>	<b>10,513</b>	<b>21,205</b>		<b>114%</b>

**Capital Expenditure as % of Capital Resources**

114%

### BUILDINGS & PROPERTY CAPITAL MONITORING 2012/13 - EDUCATION

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
Whitfield Primary School	218	(17)				(17)	201		12	201
West End Primary School	2,510	783			(27)	756	3,266	3,247	3,301	3,286
Balgarthno	6,110	143				143	6,253	2,833	3,548	6,253
Furniture-Whitfield, West End & Balgarthno	453	51				51	504	190	190	504
Harris Academy Refurbishment	650	81				81	731	25	33	731
Coldside - New Primary & Community Facilities	200					0	200		3	200
Menzieshill - New Primary & Community Facilities	200					0	200		3	200
Kingspark	0	131				131	131	5	8	131
Kingspark Additional Classrooms	1,095	(47)				(47)	1,048	923	955	1,048
Eastern Primary School transfer to Grove Academy	2					0	2	1	2	2
Decanting Harris & Refurbishment Rockwell	593					0	593	38	64	593
Primary School Refurbishments (Glebelands, Clepington, St Mary's RC)	1,250				(150)	(150)	1,100	328	390	1,100
Barnhill Primary - Extension	70	(4)				(4)	66			66
Structural Improvements	100				(50)	(50)	50	1	1	50
Kitchen Improvements	50				(50)	(50)	0		1	0
Replacement Heating Systems	150				(100)	(100)	50	(11)	(6)	50
Roof Coverings - Various	350	(155)			150	(5)	345		169	345
School Improvements & Upgrades	200				100	100	300	302	360	300
Curriculum Improvements	150				(150)	(150)	0	16	16	0
Window Replacement	250				200	200	450	448	484	450
Upgrade Toilets	100				100	100	200	118	149	200
Electrical Upgrades	400				(50)	(50)	350	236	260	350
<b>Total</b>	<b>15,101</b>	<b>966</b>	<b>0</b>	<b>0</b>	<b>(27)</b>	<b>939</b>	<b>16,040</b>	<b>8,700</b>	<b>9,943</b>	<b>16,040</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2012/13 - SOCIAL WORK

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
Day Services Accommodation for people with Learning Disabilities - Wellgate	210	5				5	215		4	215
Learning Disabilities - Upgrade of Whitetop Centre	1,222	20		(1,242)		(1,222)	0			0
Elmgrove House Replacement (partnership with Communities Scotland)	758	440				440	1,198	271	291	1,198
Seymour House	29					0	29	12	15	29
(Less Tayside NHS Contribution)	(10)					0	(10)	6	6	(10)
(Less Tayside Police Contribution)	(9)					0	(9)	6	6	(9)
Property Upgrades	100	22				22	122	3	64	122
Skill and Respite Services Accommodation - Mackinnon Centre	1,695	63		(50)	304	317	2,012	451	549	2,012
Claverhouse East Offices - Works to Accommodate more staff	50					0	50		3	50
The Elms Renovation	500				(383)	(383)	117	11	12	117
Replacement Windows	75					0	75			75
Rankine Street Boiler	82	30				30	112	18	71	112
Dudhope Castle IT and other expenditure	150		80		629	709	859	142	292	859
Less Energy Grant Fund Contribution			(80)			(80)	(80)			(80)
Provision of Accommodation for Adults with Learning Disabilities	250			(250)		(250)	0			0
Douglas CFC		50				50	50		29	50
The Elms Residential Unit for Young People		3				3	3			3
Oakland's Roof		80			19	99	99			99
<b>Total</b>	<b>5,102</b>	<b>713</b>	<b>0</b>	<b>(1,542)</b>	<b>569</b>	<b>(260)</b>	<b>4,842</b>	<b>920</b>	<b>1,342</b>	<b>4,842</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2012/13 - CITY DEVELOPMENT

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
<b>Industry/Business</b>										
Acquisition of Land/Buildings	250		(100)			(100)	150	2	2	150
Industrial Estates Improvements	100	100				100	200	41	41	200
Business Loan	50					0	50			50
Overgate Development - Purchase of Properties	600					0	600			600
<b>Administrative Buildings</b>										
Dundee House		14				14	14	(420)	(420)	14
City Square		5				5	5			5
Office Accommodation									14	
<b>Other Expenditure</b>										
Allan Street Car Park & Associated Road Works	2,959	181				181	3,140	2,227	2,479	3,140
(Less Capital Receipts)	(500)		500			500	0			0
Shopping Parade Improvements	100	225	(200)			25	125	5	5	125
Demolition of Surplus Properties	600	1,117		(320)		797	1,397	212	213	1,397
Whitfield Life Services Building	5,158	(103)		(1,093)		(1,196)	3,962	31	45	3,962
Lochee Regeneration	128					0	128			128
V&A at Dundee	3,900		1,046	(2,847)		(1,801)	2,099	891	953	2,099
(Less Scottish Government Capital Grant)	(3,900)			2,847		2,847	(1,053)			(1,053)
(Less Scottish Government General Capital Grant)			(1,046)			(1,046)	(1,046)	(891)	(953)	(1,046)
Central Waterfront	6,051		805		300	1,105	7,156	1,546	1,774	7,156
(Less External Funding)	(5,161)		(542)			(542)	(5,703)	(1,546)	(1,774)	(5,703)
Dundee Railway Station Concourse	525					0	525	73	184	525
(Less External Funding)	(525)					0	(525)	(73)	(184)	(525)
City Square Environmental Improvements	910						910	120	152	910
City Square Office Alterations	300					0	300			300
Auto Meter Reading Technology		18				18	18	3	3	18
<b>Total</b>	<b>11,545</b>	<b>1,557</b>	<b>463</b>	<b>(1,093)</b>	<b>(20)</b>	<b>907</b>	<b>12,452</b>	<b>2,221</b>	<b>2,534</b>	<b>12,452</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2012/13 - LEISURE & CULTURE

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
New Swimming Pool	10,742	567				567	11,309	6,467	7,521	11,309
(Less SportsScotland Lottery Funding)	(1,000)					0	(1,000)	(500)	(500)	(1,000)
McManus Galleries Restoration & Development Project								(139)	(139)	
(Less Historic Scotland Contribution)								28	28	
Dundee Ice Arena Storage		8				8	8			8
Dick McTaggart - Gymnastics Centre	3	207	650			857	860	488	761	860
(Less SportsScotland Funding)			(650)			(650)	(650)	250	250	(650)
Purchase of SCIO Equipment		4			10	14	14			14
Camperdown House Roof								(48)	(48)	
(Less Historic Scotland Contribution)								15	15	
<b>Libraries</b>										
Libraries	50					0	50	9	9	50
Central Library - Control System Upgrade	25					0	25	3	10	25
Lochee Leisure & Library Boiler Replacement	190					0	190			190
<b>Culture</b>										
Caird Hall - Kitchen	15				(15)	(15)	0			0
Caird Hall - Ashton Hall	20			(35)	15	(20)	0			0
<b>Sports Centres</b>										
Leisure Centre Improvements	50				(10)	(10)	40			40
Lynch Sports Centre Roof	650				(550)	(550)	100			100
Lochee Leisure Centre - Family Changing Areas	124					0	124		2	124
<b>Other Leisure &amp; Culture Properties</b>										
Wildlife Centre Office/Bothy	20					0	20			20
Caird Park Golf Course/Camperdown Park & House Feasibility Studies	50					0	50			50
Roof Replacement/Improvement Programme	50	98		(147)		(49)	1	1	1	1
Heating & Ventilation Systems	100	50				50	150			150
<b>Total</b>	<b>11,089</b>	<b>934</b>	<b>0</b>	<b>(182)</b>	<b>(550)</b>	<b>202</b>	<b>11,291</b>	<b>6,574</b>	<b>7,910</b>	<b>11,291</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2012/13 - ENVIRONMENT

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
Environment Property	150					0	150	1	1	150
Baldovie Redevelopment	250	300	(550)			(250)	0			0
Redevelopment of Environment HQ									1	
Creation of Operational Sub-Depots	100					0	100			100
Lochee Park Toilet Facilities	80					0	80			80
Baxter Park Toilets	45					0	45			45
Balgay Cemetery Roof	50	18	(50)			(32)	18	18	18	18
Barnhill Cemetery Bothy		10				10	10			10
Camperdown Gardner's Cottage		40				40	40			40
<b>Total</b>	<b>675</b>	<b>368</b>	<b>(600)</b>	<b>0</b>	<b>0</b>	<b>(232)</b>	<b>443</b>	<b>19</b>	<b>20</b>	<b>443</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2012/13 - CHIEF EXECUTIVE CORPORATE SERVICES

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
Procurement Purchase to Payment System		10				10	10			10
Disabled Access	50					0	50			50
Health & Safety Works	500	30			(44)	(14)	486			486
Energy - Spend to Save	200		(50)			(50)	150			150
<b>Community Centres</b>										
Community facilities at Blackness Library	230				25	25	255			255
Community facilities at Arthurstone Library	100			(95)		(95)	5			5
Finmill Community Centre & Library Refurbishment	200						200	1	1	200
Douglas Community Centre Refurbishment	200						200	29	2	200
Review of Community Facilities in The Ferry	50			(50)		(50)				
Community Centres	100						100			100
The Corner - access to building	30						30		1	30
Kirkton Community Centre Heating									1	
<b>DCA/Dundee Ice Arena</b>										
DCA	20						20	5	5	20
Dundee Ice Arena	200						200		5	200
<b>Total</b>	<b>1,880</b>	<b>40</b>	<b>(50)</b>	<b>(145)</b>	<b>(19)</b>	<b>(174)</b>	<b>1,706</b>	<b>35</b>	<b>15</b>	<b>1,706</b>



## OPEN SPACE CAPITAL MONITORING 2012/13

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
<b>Cemeteries</b>										
Headstone Safety Programme	60					0	60	14	14	60
Birkhill Cemetery Extension	476	6		(349)		(343)	133	3	3	133
Pitkerro Grove Cemetery	1,223	42				42	1,265	822	926	1,265
General Infrastructure Improvements	80					0	80	19	19	80
<b>Parks &amp; Open Space</b>										
Parks Master Plan	230				(109)	(109)	121		7	121
Environmental/Paths for All	40	29				29	69	38	38	69
Camperdown Country Park - Development Plan	10	48			95	143	153	(15)	(15)	153
Environmental Improvements Parks & Open Spaces	100				100	100	200			200
(Less External Funding)	(50)					0	(50)			(50)
Public Open Spaces	100				(100)	(100)	0			0
Playgrounds Improvements	50					0	50			50
Allotment Security	30	24				24	54	24	24	54
Riverside Nature Park	205				(13)	-13	192	2	2	192
Riverside Landfill Site		50			13	63	63	36	40	63
Air Quality Monitoring Equipment	70					0	70			70
Contaminated Land	109					0	109	3	3	109
DISC - Replacement of Pitches		10	3			13	13	16	10	13
(Less Sport/Scotland Funding)			(3)			(3)	(3)	16	(3)	(3)
<b>Sports Facilities</b>										
Caird Park Velodrome		14	10		14	38	38	15	15	38
(Less Sport/Scotland Funding)			(10)			(10)	(10)	(6)	(8)	(10)
Tennis Court Multi Use Upgrades	60					0	60			60
(Less External Funding)	(25)					0	(25)			(25)
<b>Recycling &amp; Waste Management</b>										
Purchase of Bins	100					0	100	74		100
Purchase of Skips	30					0	30			30
Recycling Initiatives (Dry Waste and Food)	300	279				279	579	1	95	579
<b>Total</b>	<b>3,198</b>	<b>502</b>	<b>0</b>	<b>(349)</b>	<b>0</b>	<b>153</b>	<b>3,351</b>	<b>1,062</b>	<b>1,170</b>	<b>3,351</b>

## ROADS INFRASTRUCTURE CAPITAL MONITORING 2012/13

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
<b>Road Schemes/Minor Schemes</b>										
Road Safety Measures	150					0	150		0	150
Pedestrian Crossings / Traffic Lights	100					0	100		0	100
Footpaths	300	100				100	400	99	140	400
Unadopted Footpaths	500	80				80	580	151	164	580
Cycling, Walking & Safer Streets	168				27	27	195	33	50	195
(Less Scottish Government Capital Grant)	(168)					0	(168)			(168)
SCSP - City Centre Signage Phase 3		35				35	35	4	4	35
<b>Environmental Improvements Programme</b>										
Central Area & Other Projects	300				-300	-300	0	23	0	0
<b>Community Regeneration Projects</b>										
Lochee	442					0	442	70	128	442
Whitfield	10					0	10			10
Hilltown	10	10				10	20	2	4	20
<b>Accepted Practices</b>										
Street Lighting Renewal	750					0	750	397	496	750
Road Reconstructions / Recycling	1,700					0	1,700	1,393	1,524	1,700
Bridge Assessment & Work Programme	489	(83)				(83)	406	1	7	406
Regional Transport Partnership	969	1,592			(1,310)	282	1,251	686	792	1,251
Less Funding TACTRAN - Dock		(441)				(441)	(441)	(441)	(441)	(441)
Less Funding Scottish Enterprise - Docks		(66)				(66)	(66)	(66)	(66)	(66)
Seabraes Pedestrian Bridge				(1,630)	1,630	0	0			0
Coastal Protection Works	644	10		(550)		(540)	104	16	20	104
Council Roads and Footpaths - Other	300					0	300	187	223	300
Dykes of Gray		43				43	43	43	43	43
Whitfield Spine Road				1,789		1,789	1,789	1,729	1,729	1,789
Linlathen Bridge East								4	4	
<b>Vacant &amp; Derelict Land Fund</b>										
2007/08 to 2011/12 Capital Programme			140				140	140	4	140
(Less Scottish Govt Capital Grant)			(120)				(120)			(120)
(Less Scottish Enterprise - Seabraes)			(20)				(20)		(8)	(20)
Riverside Nature Park - SRDP Contribution										
2012/13 Capital Programme				1,168			1,168	108	304	1,168
(Less Scottish Govt Capital Grant)				(1,168)			(1,168)		(304)	(1,168)
<b>Total</b>	<b>6,664</b>	<b>1,280</b>	<b>-</b>	<b>(391)</b>	<b>47</b>	<b>936</b>	<b>7,600</b>	<b>4,579</b>	<b>4,817</b>	<b>7,600</b>

## VEHICLE FLEET CAPITAL MONITORING 2012/13

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
<b>Environment</b>										
Purchase of Vehicles & Equipment	1,150	(10)	244			234	1,384	157	155	1,384
Scottish Government - Electric Vehicles & Infrastructure Funding			(192)			(192)	(192)	(192)	(192)	(192)
Capital Receipts			(52)			(52)	(52)	(52)	(67)	(52)
Purchase of Electric Vehicles			162			162	162			162
Minibus Replacement (former L&C)	20					0	20			20
Minibus Replacement (Education)		40				40	40			40
<b>Total</b>	<b>1,170</b>	<b>30</b>	<b>162</b>	<b>0</b>	<b>0</b>	<b>192</b>	<b>1,362</b>	<b>(87)</b>	<b>(104)</b>	<b>1,362</b>

## INFORMATION &amp; COMMUNICATIONS TECHNOLOGY CAPITAL MONITORING 2012/13

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Per Cap Plan £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2012 £'000	Expenditure to 30/11/2012 £'000	Projected Outturn 2012/13 £000
<b>Education</b>										
Purchase of Computers	570					0	570	402	438	570
<b>Corporate Services</b>										
ICT Strategy	50		(50)			(50)	0			0
Purchase of Computer Equipment	850	(11)				(11)	839	289	382	839
Telephony, Data Network & Infrastructure (to support mobile/flexible working)	200	(36)				(36)	164	12	12	164
Corporate Electronic Records Data Management System		42				42	42		12	42
<b>Total</b>	<b>1,670</b>	<b>(5)</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>(55)</b>	<b>1,615</b>	<b>703</b>	<b>844</b>	<b>1,615</b>

## HOUSING HRA CAPITAL MONITORING 2012/13

Nature of Expenditure	Approved Budget 2012/13 £'000	2011/12 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2012/13 £'000	Expenditure to 31/10/2011 £'000	Expenditure to 30/11/2011 £'000	Projected Outturn 2012/13 £'000
<b>Free From Serious Disrepair</b>										
Roof Replacement	568					0	568	577	593	667
Roughcast Renewal	475					0	475	2	10	55
Windows	44					0	44	5	5	48
<b>Energy Efficiency</b>										
External Insulation and Cavity	5,387					0	5,387	1,453	1,917	6,549
Heating, Kitchens and Bathrooms & Showers	10,713					0	10,713	4,851	5,735	11,179
Ferolli & Ravenheart boiler replacement	50					0	50	147	152	250
Renewable Initiatives	1,000					0	1,000	3	11	1,000
<b>Modern Facilities and Services</b>										
Individual Shower Programme	50					0	50	38	44	50
<b>Healthy, Safe and Secure</b>										
Fire Detection	25					0	25	0	0	5
Door Entry System	1,137					0	1,137	635	722	937
Security & Stair Lighting	200					0	200	0	0	7
<b>Increase Supply of Council Housing</b>										
New Builds	490					0	490	211	242	579
Demolitions	2,897					0	2,897	498	614	2,042
<b>Miscellaneous</b>										
Fees	20					0	20	21	23	50
Disabled Adaptations	750					0	750	363	410	750
Major Adaptations	20					0	20	0	0	0
Paths and Footpaths for SHQS	250						250	0	0	50
Buttars Place Improvements	186						186	79	157	214
Owner Receipts	(620)					0	(620)	(276)	(293)	(620)
<b>Community Care</b>										
Sheltered Lounge Upgrades	40					0	40	2	3	40
Warden Call Replacements	350					0	350	168	168	300
<b>Housing HRA Total</b>	<b>24,032</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,032</b>	<b>8,777</b>	<b>10,513</b>	<b>24,152</b>

**CAPITAL MONITORING 2012/13****Summary of Changes to Approved Budget 2012/13**

(and effect on future years)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Adjustments:</u></b>			
<b>BUILDINGS AND PROPERTY</b>			
<b><u>Education</u></b>			
Carry forward from 2011/12	966		
West End Primary School -virement to CWSS - Roads Infrastructure	(27)		
<b><u>Social Work</u></b>			
Carry forward from 2011/12	713		
Oaklands Roof- virement	19		
Mackinnon Centre Refurbishment - slippage into 2013/14	(50)	50	
Dudhope Castle - virement	550		
Learning Disabilities-Upgrade of Whitetop Centre	(1,242)	1,242	
Provision of Accommodation for Adults with Learning Disabilities-slippage into later yrs	(250)		
<b><u>City Developments</u></b>			
Carry forward from 2011/12	1,557		
Allan Street Car Park - net exp increase due to capital receipt not being realised	500		
Demolition Surplus Properties - virement	(320)		
Whitfield Life Services - increased cost and rephasing of expenditure	(1,093)	1,585	(5)
Central Waterfront - revised programme	263	4,225	4,363
Shopping Parades	(200)		
Acquisition of Land & Buildings	(100)		
Central Waterfront -virement from Central Areas - Roads Infrastructure	300		
<b><u>Leisure &amp; Culture</u></b>			
Carry forward from 2011/12	934		
Lynch Sports Centre Roof - virement	(550)		
Caird Hall -Ashton Hall - slippage into 2013/14	(35)	35	
Roof Replacement/Improvement Programme	(147)	147	
<b><u>Environment</u></b>			
Carry forward from 2011/12	368		
Baldovie Redevelopment	(550)		
Balgay Cemetery	(50)		
<b><u>Chief Executive Corporate Services</u></b>			
Carry forward from 2011/12	40		
Chief Executive Health & Safety Budget - virement	(19)		
Community Facilities at Arthurstone Library - slippage in 2013/14	(95)	95	
Energy Spend to Save - Budget Reduction	(50)		
Review of Community Facilities Ferry - slippage into 2013/14	(50)	50	
Blackness Library - virement from Health & safety	(25)		
Health & Safety - virement to Blackness Library	25		
<b>OPEN SPACE</b>			
Carry forward from 2011/12	502		
Birkhill Cemetery Extension - slippage into 2013/14	(349)	349	
<b>ROADS INFRASTRUCTURE</b>			
Carry forward from 2011/12	1,280		
Seabraes Pedestrian Link- virement	320		
Coastal Protection Works - slippage into 2013/14	(550)	550	
Whitfield Spine Road	1,789	(1,789)	
Seabraes Pedestrian Link - slippage into 2013/14	(1,630)	1,630	
CWSS - virement from West End Primary School	27		
Central Areas - virement to Central Waterfront	(300)		
<b>VEHICLE FLEET</b>			
Carry forward from 2011/12	30		
Purchase of Electric Vehicles	162		
<b>INFORMATION &amp; COMMUNICATIONS TECHNOLOGY</b>			
Carry forward from 2011/12	(5)		
ICT Strategy - Budget Reduction	(50)		
	<b>2,608</b>	<b>8,169</b>	<b>4,358</b>

**REPORT TO: POLICY & RESOURCES COMMITTEE - 14 JANUARY 2013**

**REPORT ON: RELIEF OF RATES - CHARITY RELIEF**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 13-2013**

#### **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 RECOMMENDATIONS**

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, Risk Management and Equality Impact Assessment.

The Equality Impact Assessment which was carried out for Report No 433-2010 in September 2010 fully addresses the proposals in this report and is available on the Council's Website <http://www.dundee.gov.uk/equanddiv/dequimpact/>.

#### **6.0 CONSULTATION**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

#### **7.0 BACKGROUND PAPERS**

None

Marjory Stewart  
Director of Corporate Services

Date:

**DRAFT REPORT NO: 13-2013**

**POLICY & RESOURCES COMMITTEE**

**REPORT BY DIRECTOR OF CORPORATE SERVICES**

**SUBJECT: RELIEF OF RATES**

APPLICANT	SUBJECTS	UNIFIED BUSINESS RATE PAYABLE  £	REMARKS	RECOMMENDATION	ANNUAL COST TO COUNCIL  £
Sense Scotland 43 Middlesex Street, Kinning Park, Glasgow, G41 1EE	Shop 146 Strathmartine Road Dundee, DD3 7SE	2,844.49 (20.08.12-31.03.13)	To provide support to those who have deaf, blindness and other disabilities. The property is a shop selling 90% donated goods.	Recommend 80% Mandatory Relief and 20% Discretionary Relief	142.22
The Clean Close Company Ltd 96/98 Broughty Ferry Road, Dundee, DD4 6JS	Shop 96/98 Broughty Ferry Road, Dundee, DD4 6JS	1912.50 (01.04.12-31.03.13)  435.31 (04.01.12-31.03.12)	A social enterprise set up as part of Dundee City Council Regeneration Programme. To improve residents quality of life, provide job opportunities and training to local people. Not a registered charity. Property is a shop being used to sell donated floor coverings to person setting up home for 1 <sup>st</sup> time.	Grant 100% Discretionary Relief	478.13
Carolina House Trust First Floor, Block 5 Dunsinane Avenue, Dundee, DD2 3QN	Office Gf, Gateway West Building 3, Luna Place, Dundee, DD2 1XZ	19,239.52 (16.07.12-31.03.13)	Working with children and young people in need of care, support and protection.	Grant 80% Mandatory Relief and 20% Discretionary Relief	961.98

Carolina House Trust First Floor, Block 5 Dunsinane Avenue, Dundee, DD2 3QN	Office 1 <sup>st</sup> Floor, Building 3 Gateway West, Luna Place, Dundee, DD2 1XZ	21,644.27 (16.07.12-31.03.13)	Working with children and young people in need of care, support and protection	Grant 80% Mandatory Relief and 20% Discretionary Relief	1,082.21
Carolina House Trust First Floor, Block 5, Dunsinane Avenue, Dundee, DD2 3QN	Office Cowan Grove, 5 Cowan Place, Dundee, DD4 6QL	1,166.79 (01.10.12-31.03.13)	Working with children and young people in need of care, support and protection	Grant 80% Mandatory Relief and 20% Discretionary Relief	58.34
Cornerstone Community Care Ltd Atholl House, 86-88 Guild Street, Aberdeen, AB11 6LT	Office Flat 14, 1 Victoria Street, Dundee DD4 6ED	1,288.23 (01.08.12-31.03.13)	Provides care and support in the community for persons disabled, lack of care, infirm or otherwise, to live a valued life.	Grant 80% Mandatory Relief and 20% Discretionary Relief	64.41
Oxfam Oxfam Finance Office, Level 3, Cale Cross House, 156 Pilgrim Street, Newcastle Upon Tyne, NE1 6SU	Shop 45 Reform Street, Dundee, DD1 1SL	8,384.17 (10.09.12-31.03.13)	Working in partnership with others to find lasting solutions to overcome poverty and suffering	Grant 80% Mandatory Relief only.	
Barnardos Scottish Headquarters, 235 Corstorphine Road, Edinburgh, EH12 7AR	Warehouse & Showroom Unit 3 & 4, 142 Arbroath Road, Dundee, DD4 6EP	9,770.55 (19.05.12-31.03.13)	To promote the care, safety and upbringing of children and young people	Grant 80% Mandatory Relief and 20% Discretionary Relief	488.53

<p>Transform Community Development Unit 1, Block 22 Kilspindie Road, Dunsinane Industrial Estate, Dundee, DD2 3JP</p>	<p>Workshop &amp; Office Unit 4 Smeaton Road, Dundee, DD2 4TB</p>	<p>4,693.93 (16.07.12-31.03.13)</p>	<p>To prevent homelessness and make a difference by crating housing solutions and routes into employment. The premises are being used for storage of furniture and opening times will only be for the delivery and uplift of furniture.</p>	<p>Grant 80% Mandatory Relief and 20% Discretionary Relief</p>	<p>234.70</p>
<p>Craigown Communitis Ground Floor, 4-6 South Ward Road, Dundee, DD1 1PU</p>	<p>Office Ground Floor, 4-6 South Ward Road, Dundee, DD1 1PU</p>	<p>14,492.88 (03.09.12-31.03.13)</p>	<p>To provide wellbeing for people in the local community by helping them achieve a job and a home.</p>	<p>Grant 80% Mandatory Relief and 20% Discretionary Relief</p>	<p>724.64</p>



**REPORT TO: POLICY AND RESOURCES COMMITTEE - 14 JANUARY 2013**

**REPORT ON: DUNDEE COMMUNITY REGENERATION FUND 2012/13**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 20-2013**

**1. PURPOSE OF REPORT**

1.1 This report confirms the Community Regeneration Fund allocations for 2012/13 and makes recommendations for grants.

**2. RECOMMENDATIONS**

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

**3. FINANCIAL IMPLICATIONS**

3.1 This report makes allocations from the Dundee Community Regeneration Fund which was approved at Policy and Resources Committee of 7 December 2009. An allocation of £125,000 was available to each of the Community Regeneration Forums in the city for each of the three years from 2010/11. The budgets available, including approved carry forwards, are set out in paragraph 5.1.

3.2 Grants of £94,103 are recommended in this report.

**4. BACKGROUND**

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

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

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

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

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

4.6 Community regeneration forums will be invited to allocate funding of up to £25,000 on small grants, and no less than £100,000 on diversionary and preventative youth work or physical improvements.

## 5. FUNDING ALLOCATIONS AND PROPOSALS

- 5.1 The budget for each community regeneration forum is summarised below, together with allocations proposed in this report. These include agreed carry forwards from 2011/12.

### Dundee Partnership Fund 2012-13

Local Forum	Total Allocation (inc. 2011/12 carry forward)	Previously Allocated	Current Proposals	Still Available
Coldside	£125,000	£88,284	£36,716	£0
East End	£125,000	£92,889	£32,000	£111
Lochee	£161,424	£88,211	£500	£72,713
Maryfield	£137,026	£115,124	£21,902	£0
North East	£136,816	£136,816	£0	£0
Strathmartine	£165,156	£129,288	£2,985	£32,883
<b>Total</b>	<b>£850,422</b>	<b>£650,612</b>	<b>£94,103</b>	<b>£105,707</b>

- 5.2 The proposals contained in Appendix A recommend the allocation from local budgets of £94,103.

## 6 POLICY IMPLICATIONS

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

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

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

## 7 CONSULTATIONS

- 7.1 The Director of Corporate Services and the Head of Democratic and Legal Services have been consulted in the preparation of this report.
- 7.2 Partner agencies, community representatives and voluntary sector representatives have also been consulted and involved in the assessment of applications and the formation of recommendations contained in this report.

## 8 BACKGROUND PAPERS

- 8.1 Report to Policy and Resources Committee, December 2004, Report No 743-2004.
- 8.2 Report to Policy and Resources Committee, December 2009, Report No 591-2009.
- 8.3 Equality Impact Assessment Report.
- 8.4 Report to Policy and Resources Committee, June 2012, Report No 225-2012

David K Dorward  
Chief Executive

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07/01/2013

<b>Ref No.</b>	<b>Applicant</b>	<b>Ward</b>	<b>Description of Project</b>	<b>Total Project Costs</b>	<b>Amount Requested</b>	<b>Forum Decision Amount</b>
C015	43 <sup>rd</sup> Dundee Brownie Pack	Coldside	For the purchase of a unit Flag. The unit has recently increased its numbers from 6 to 20 girls aged between 7-11 years, all from Hilltown area.	£95	£95	£95
CP005	Environment Department	Coldside	To install new children's play equipment in Dudhope Park. Improvements to the play area have been identified as being required through public consultation.	£90,000	£38,000	£36,621
EEP005	Environmental Department	East End	To upgrade / refurbish the sports play area situated at Pitarlie Park, including installation of a Multi-Use Games Area, to ensure that it remains fit for purpose and in use by local young people.	£32,000	£32,000	£32,000
LP007	Menzieshill Community Centre LMG	Lochee	To install a fence around an area to be designated for community gardening in which children in the Out of School Club will have the opportunity to learn about how to grow vegetables supported by adults from the Gardening Group.	£500	£500	£500
MP012	Environment Department	Maryfield	To enable improvements to be carried out at three play areas within Maryfield; Crescent Street, St. Matthews Lane, and Malcolm Street.	£40,000	£30,000	£21,902
SP010	Ardler Primary School	Strathmartine	Contribution towards playground improvements. Funding will enable pitch markings to be set out in the playground which is used by 140 pupils at the school.	£1,752	£585	£585

SP011	St Fergus Primary School	Strathmartine	Contribution towards playground improvements. Funding will enable adventure play equipment to be installed in the infant playground which would be used by 158 pupils at the school.	£10,000	£2,400	£2,400
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**REPORT TO: POLICY AND RESOURCES COMMITTEE – 14 JANUARY 2013**  
**REPORT ON: HOSPITAL FUND AND JOHNSTON BEQUEST**  
**REPORT BY: DIRECTOR OF CORPORATE SERVICES**  
**REPORT NO: 452-2012**

**1. PURPOSE OF REPORT**

This report proposes an alternative way of utilising the income from the Hospital Fund and Johnston Bequest

**2. RECOMMENDATIONS**

It is recommended that a budget of £25,000 be provided from the Hospital Fund and Johnston Bequest to pilot a targeted welfare benefit advice service for older people in Dundee in 2013/14.

**3. FINANCIAL IMPLICATIONS**

3.1 The costs of this proposal can be met from the surplus income from the Hospital Fund and Johnston Bequest.

**4. BACKGROUND**

4.1 The Hospital Fund and Johnston Bequest were vested in and administered by the Lord Provost, Magistrates and Councillors of Dundee under a special Act of Parliament entitled "The Dundee Churches and Hospital Act 1864" for the benefit of the poor of the town. The funds are currently vested and administered by the City Council under the Local Government etc (Scotland) Act 1994.

4.2 The income from the capital assets held by these Funds has been utilised principally for distribution to pensioners in financial need. The Fund's income is derived from a combination of interest on temporary loans and rental income on property owned in Reform Street. The Fund's capital account currently stands at £650,530 and annual rental income was £44,993 as at 31st March 2012.

4.3 Expenditure for the year to 31st March 2012 was £22,240 comprising Rates and Repairs and Maintenance (£7,360) and payment of pensions to beneficiaries (£14,880). There are currently 186 pensioners each receiving £80 per annum (as at 31 March 2012).

4.4 From time to time, when funds allow, all 29 Councillors on the City Council have been invited to nominate another deserving pensioner for addition to the list of beneficiaries.

In the current economic climate, and with the effects of the Welfare Reforms filtering through, many people are turning to local benefit, money and debt advice services for help. The demand for these services is growing and the available resource to satisfy that demand is limited. Benefit advisors have a track record of success in increasing clients' incomes through ensuring that they receive all benefits to which they are entitled. There is also evidence that levels of pensioner debt have been increasing as the average size of people's debt has increased. There can also be issues around situations where one partner has to move into care and another is left to deal with

claims arising from that change of circumstances. Benefit advisors can provide help to resolve the complexities of that situation.

- 4.6 In view of the very real impacts which the Welfare Reforms are anticipated to have on the community at large, it is suggested that the income from the Hospital Fund and Johnston Bequest could be used more effectively if it were to be utilised to fund targeted benefit advice to older people in Dundee. It is estimated that there is the potential to increase the financial benefit to elderly people in Dundee from £14,880 per annum to as much as £250,000 per annum.
- 4.7 For example, the Council's Social Work Department has two Money Advisers funded through the Dundee Partnership and the European Social Fund. Based on experience with these posts, Benefit Advisors potentially see approximately 200 clients and generate possible gains of up to £250,000 per year. These workers have also re-scheduled as much as £200,000 debt per year. These can only be treated as estimates, as circumstances obviously vary from client to client. Currently, there are no benefits, money or debt advice services targeted specifically at the elderly. The contact with elderly people who can benefit from the expert support and advice a Welfare Rights Officer can provide can also generate referrals to a range of other support services available in the city.
- 4.8 In 2011/12 total income to the Fund was £47,789 and total expenditure was £22,240 leaving a surplus of £25,549. It would be intended to continue payments at the current level of £80 per annum to the existing pension recipients. The City Development Department has suggested that for the purposes of calculating available surplus income, the expenditure on rates and repairs etc in the year to 31st March 2012 (£7360) can be taken as an average years expenditure on these items
- 4.9 Income to the Fund is derived from rents for property held by the Fund in Reform Street, Dundee and interest on the cash balances out on temporary loans. Interest earnings are currently depressed by the low interest rates currently available, and the rental income relies on the property being continuously let.
- 4.10 It is therefore proposed that a budget of £25,000 be made available to commission additional welfare benefit advice to older people in Dundee. Interested and experienced service providers in the public and voluntary sectors will be invited to apply for the budget to pilot a targeted service in the year 2013/14. Applications will be assessed in terms of the number of older people assisted, the income generation targets, guarantees of service quality and plans for sustainability.
- 4.11 The application process will be initiated early in 2013 to enable the service to begin as of 1 April 2013.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. The proposal set out in 4.10 above will make a positive contribution to tackling poverty among older people in Dundee.

6. **CONSULTATIONS**

The Chief Executive and Head of Legal and Democratic Services have been consulted in the preparation of this report.

7. **BACKGROUND PAPERS**

None.

Marjory M Stewart  
Director of Corporate Services

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07/01/2013

**REPORT TO: POLICY & RESOURCES COMMITTEE - 14 JANUARY 2012**

**REPORT ON: MODERN APPRENTICE SCHEME**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 27/2013**

## **1. PURPOSE OF REPORT**

The purpose of this report is to provide an outline of Dundee City Council's proposed approach to ramp up its contribution to the Modern Apprentice scheme by using a workforce development approach. The report will cover the proposed implementation and support arrangements for the approach and outline how this will allow Dundee City Council to lead by example by significantly increasing its contribution to the Modern Apprentice (MA) programme to provide more and better quality employment opportunities for young people in the City.

## **2. RECOMMENDATIONS**

It is recommended that the Policy and Resources Committee:

- notes the business case for developing an increased Modern Apprentice programme in relation to the increasing challenge of youth unemployment, social return on investment and organisational benefits.
- confirms that it should adopt a workforce planning approach to Modern Apprentice development, with the potential to develop job creation elements if external or other funding options become available
- agrees to the development of an increased apprentice programme with an aspirational target of 50 Modern Apprenticeships.
- agree that the increased Modern Apprentice programme will be recognised as a core training function of the Council's Learning and Development Service.
- agrees to the creation of a specific Modern Apprentice Coordinator post (grade 9) to develop and implement the new approach recommended for an initial period of 2 years. The responsibility for maintaining the programme thereafter being adopted by the central training team reporting to the Social Work Departments' Learning and Workforce Development Manager.
- agrees that other Community Planning partners be encouraged to consider undertaking similar reviews to determine their capacity to support increased apprentice programmes.

## **3. FINANCIAL APPRAISAL**

The increased MA programme would be developed and coordinated by a 2 year Modern Apprentice Coordinator post. This post has been graded at grade 9 based on currently identified duties (Job Description provided in Appendix 1). The salary scale would be £26,604 –£29,5158 ( £33,449.48 - £37,204.62 with on costs) giving a maximum cost of £74,409 over 2 years. It is proposed that this could be supported by reallocating or seconding an existing member of staff or by seeking an additional percentage contribution from the training budgets of departments (a maximum 5% would be required).



The development of the MA programme would be further enhanced by the provision of an administrative resource to support the coordinator, which could be provided in the form of an MA. Exact costing's would depend on the wage rates agreed but based on 50% of the Living Wage from April 2013 this would be £7,186 or £8,460 with on costs, giving a maximum cost of £16,921 over two years.

The wider costs of employing 'workforce planning' modern apprentices will be met from the existing departmental budgets for staff costs. Through Skills Development Scotland (SDS) and their contracted training providers employers can access a contribution towards the cost of Modern Apprentice training. For many apprenticeship frameworks including most Level 2 apprenticeships the contribution funds the total cost of the training, for others wage savings can be used to fund the shortfall.

While coordination costs would be required to develop and implement the programme, these would be minimal in terms of the savings the programme would create by diverting young people from negative destinations. The Council spends significant amounts of public money each year providing services to people who have become disconnected with employment, this impacts on housing, social work services, welfare services and criminal justice. The implementation of an increased apprentice programme begins to directly address these issues through the creation of more quality employment opportunities targeted at this group.

#### **4. MAIN TEXT**

##### **The Business Case for Increasing Modern Apprenticeships**

Dundee City Council, after NHS Tayside is the biggest employer in the City. Dundee has the highest percentage of public sector workers of any Scottish city with 33.5% of the population employed in the public sector, compared to 27.4% in Scotland as a whole. Despite recent and planned reductions in staffing the impact on the local economy remains significant.

##### **The Challenge of Youth Unemployment**

Scotland along with comparable nations is facing an unprecedented challenge in relation to youth unemployment. Since the 2008 recession unemployment among 16 - 24 year olds in Scotland rose from 49,000 in early 2008 to a peak of 113,000 during the summer of 2011.

In Dundee the figures of young people claiming Job Seekers Allowance rose from 1,410 in June 2010 to 1,915 in June 2012. That accounts for 31.9% of claimants higher than the Scottish average of 29.7%. Dundee also has a high incidence of young people who are in the More Choices, More Chances group, (those who are not in employment, education or training) with 1098 of 16 - 19 year olds in this group. For young people who made the progression into a positive destination only 14.4 % of leavers entered employment which is 4.9% below the Scottish average, suggesting that there is a lack of employment opportunities for this group.

Young people are particularly vulnerable at times of recession as there is a marked reduction in entry level positions and they find it harder to compete with more experienced adult job seekers. We know from evidence from other recessions that prolonged periods of unemployment when young can scar young people and limit their life chances. Unemployment when young, increases the future likelihood of unemployment later in life, devalues skills developed at school and can be used as a screening tool by future employers.

## **Economic Impact**

Investing in employing a young person is a preventative measure that will lead to significant long term savings in dealing with negative health and anti social behaviour issues. As well as the social cost of youth unemployment, the economic impact can be massive. The Scottish Government estimates that the life time cost of a single cohort of young people failing to make the transition into regular employment is estimated to be in the region of £2 billion.

Intervention in this area supports the emerging prevention and social return on investment agenda. This recognises the economic benefit of supporting a young person to make an effective transition into employment now, will have financial benefits in the long term in terms of savings in welfare, access to council services, health and criminal justice. While it is recognised that not all of the young people who secured apprenticeships would be from hard to help groups the creation of new MA positions targeted at the 16 - 19 year old group would have a significant impact on the cohort.

## **Policy Context**

The increased programme will contribute to the Scottish Government's target of providing 25,000 apprenticeships in each year of the parliament and responds positively to the recommendations within Scotland's Youth Employment Strategy. The proposal will also directly support employment and youth elements within the Single Outcome Agreement and support the Fairness Strategy.

Locally the MCMC Total Place approach was established to provide a forum for taking a different look at the issues and services which surround the provision for young people who require or are at risk of needing More Choices and More Chances. This review identified very strongly that a key barrier to MCMC young people progressing was the lack of quality employment opportunities targeted at young people. An increased MA Scheme was a key "big idea" to emerge from the MCMC Total Place approach.

The development of a 'leading from the front' approach within the public sector also leaves the local authority in a much stronger position to encourage private sector employers to contribute through the development of their own Modern Apprentice programmes. The ability to evidence a planned approach will be beneficial when negotiating with private sector companies on their contribution to tackling youth employment.

The Council has also adopted a mandatory Community Benefits from Procurement Policy in September 2012 which aims to secure maximum economic and social benefits from procurement within legal frameworks. This will secure additional modern apprentice opportunities through working with nominated contractors - particularly for construction programmes and it is right that the Council can also evidence its support for the programme.

## **Planning for the Future**

The development of an increased Modern Apprentice programme will also support the Council to develop as an organisation through the provision of increased training and through introducing systems to improve succession planning and encourage a younger age profile.

A Modern Apprenticeship is an employment opportunity which includes a training element whereby young people, or adults, follow a recognised 'apprentice framework'. Modern Apprentice Frameworks are available at SVQ Level 2, Level 3 and Level 4 (equating broadly to jobs at craft, technician and management level), can take from 1 to 4 years to complete and are available in a wide range of occupational areas.

As well as providing access to a structured training framework, investment in Modern Apprenticeships are an effective way of bringing young people into an organisation. This ensures a fresh perspective, result in new ideas and ways of working and support public sector organisations to better represent the communities they serve. The council, like other public sector organisations, faces a demographic challenge in relation to the age profile of their workforce. In May 2012, 38.5% of staff were over 50 with 8.6% over 60. At the same time less than 4% of staff were under 25 and of those less than 0.4% of staff were between the ages of 16 - 19. The provision of an increased MA programme will support workforce planning within the organisation, providing access to entry level and progression training and begin to tackle the age imbalance of the workforce, with its impact on succession planning.

## **5. THE RECOMMENDED MODEL**

There are two major options for taking forward an increased MA programme. A workforce planning model, which involves assessing post which become vacant for their potential to become apprenticeships and uses existing resources to fund them or job creation approaches which involve securing additional funding to create new employment opportunities.

It is recommended that the City Council adopts a Workforce Planning Model, with job creation elements and the potential to expand these should additional external funding be secured. This proposed approach involves transforming the way that the organisation recruits and requires very high levels of organisational 'buy in' to ensure sufficient opportunities are created. To ensure that the new approach has sufficient momentum an aspirational target of 50 Modern Apprentice opportunities is suggested for 2013/2014. This would more than double the Council's current apprentice programme and would represent a stretching target to help 'kick start' the new approach. As some apprentices would be in post for more than 1 year this would not be intended to be a year on year target rather a stretching target to progress the new approach. The approach requires the organisation to re-think its traditional approach to recruitment. Managers will be required to consider all vacancies with a view to whether it is possible to appoint a Modern Apprentice and develop that person on the job and in line with an identified training framework. In addition, Level 2 MA opportunities may be identified in additional to established posts.

### **Workforce Planning Approach**

When an established vacant post is assessed as appropriate for an Modern Apprentice opportunity, the post would remain in the organisation establishment for the remainder of the apprenticeship programme (either 1, 2, 3 or 4 years depending on the framework) until the young person had completed their training. If the young person had completed their apprenticeship successfully they would then undertake a competency based interview and if successful would move into the established post (the post would not be advertised).

As these Modern Apprentice opportunities will only be identified when there is an established post it is likely, that if they are competent, a high level of apprentices will be retained in their positions – supporting the council to address its demographic challenge while ensuring in time a qualified workforce and providing an established progression route for the young person. There is no anticipation with this approach that the department will be required to 'back fill' the apprentice opportunity when the young person is qualified.

It is recommended that these apprentices are paid at a percentage of the qualified grade for their post and that their wage increases as a percentage of the qualified grade with each year of their apprenticeship. The recommended wage model would be in line with other

established models. The exception to this would be where an existing post is identified in an area which has a recommended wage framework – like construction where the recommendation would be to adopt the recommended rate for that area. More information about apprentice wage rate options is provided in Appendix 2.

## **Level 2 Modern Apprenticeship**

This approach would be an extension to the established approach currently operated to support the MA Business Administration within the council. Modern Apprentice opportunities will be identified by Council Departments on an ad-hoc basis, these opportunities should not be existing posts and will be additional to establishment.

The young people will be employed in a fixed term contract for a period of 12 months – sufficient time to complete a Modern Apprentice Opportunity at Level 2. The programme will be extended beyond Business Administration to other Level 2 apprentice frameworks to allow departments to provide opportunities which better fit their operational areas. Young people completing Level 2 Modern Apprenticeships which have been identified in this way will not be retained after their apprentice period but will be supported through links with employability partners to apply for positions in the wider labour market. It is recognised that the current progression route for young people on this programme to competitively apply for entry level clerical positions in the Council is likely to be removed as replacement established posts themselves become apprenticeships. This programme will represent part of the contribution to the Council's corporate social responsibility, to develop the employability requirements of young people to prepare them for the wider labour market and has the potential to be targeted at young people in harder to help groups.

It is recommended that MA Level 2 apprentices who are identified in this way are paid at a percentage of the Living Wage – recommended at 50% or £3.72 per hour which would place them below the minimum wage for a 16 – 18 year old at £4.98 per hour but significantly above the apprentice minimum wage of £2.65 and above the hourly rate paid by many other comparable local authorities.

The continuation of this approach as an element of any future programme is recognised as essential for allowing the Council to make an impact in this area and meet its target for new MA opportunities.

## **Policy Proposals**

To support this ambitious target a series of linked proposals are recommended to encourage departments to provide Modern Apprentice opportunities.

- Introduction of a council wide recruitment recommendation which actively prioritises new employment opportunities as Modern Apprenticeships.
- The current vacancy justification to be amended to include an assessment of the posts suitability to become an apprenticeship. This would be supported by the recruitment recommendation with its presumption that new opportunities will be prioritised for apprenticeships. The MA Coordinator would be involved in the assessment process in the first instance with this being mainstreamed to current staff when the approach was established.
- Introduction of council wide departmental apprentice targets and regular reporting of departments' progress toward targets to ensure that all areas contributed.
- MA Coordinator to support the setting of and achievement of department targets by actively working with senior officers in departments to proactively assess posts for their potential to be MAs.

- Retention of the provision (currently used to recruit Business Administration Modern Apprentice) to recruit Level 2 Modern Apprentices on an ad-hoc basis with a recognition that they would be outwith established posts.
- To explore options for considering applications under the Voluntary Early Retirement/ Voluntary Retirement VR Scheme on the basis of not filling the post but providing a Modern Apprentice opportunity.

## **Support Arrangements**

As per the Review of Staff Training Function report it is recommended that the ramped up Modern Apprentice programme become the responsibility of a strengthened corporate training team that would report to the Social Work Department's Learning and Workforce Development Manager. In the mid to long term it is envisioned that this team, with support from their Social Work learning and development colleagues, would be in a position to coordinate and manage an established increased modern apprentice programme. However it is recognised that additional resource will be required in the short term to fully design, develop and pilot the programme. This development approach is recommended based on the Social Work Departments successful experience of establishing the Social Care Academy. The Modern Apprentice model recommends a similar approach with the creation of a 2 year MA Coordinator post, with administrative support to establish and develop the programme. The specific responsibilities of the coordinator are outlined in the job description in Appendix 1

## **Target group**

It is proposed that opportunities be targeted at the 16 - 19 year old group to be able to access SDS apprentice funding and make the biggest impact on Dundee's low level of progression into employment in this age group. A targeted recruitment approach will be established with schools and employability partners rather than open recruitment. Opportunities would be competitive but additional steps would be put in place to support target groups including guaranteed interviews, coordination of work experience programmes and incentives programmes where possible. Opportunities would be actively sought to fund additional enhancements for target groups (notably care leavers). Full use of partnership arrangements with existing employability providers including Get Ready for Work, Activity Agreement and Life Skills providers would be used to develop supported pathways into the opportunities. A programme of apprentice support would also be implemented including investigating the development of an employability award, mentoring support and formal linking of candidates to job brokerage support at the end of their programmes.

The City Development team will continue to seek opportunities to secure funding to support enhancements to the approach. The development of a more coordinated central approach will mean that the council is in a better position to respond to new funding opportunities.

## **6. NEXT STEPS**

The next steps for the Modern Apprentice Scheme ramp up would be to confirm approval of the approach and to proceed with implementation. This will involve:

- Approval of the creation and funding of an Modern Apprentice Coordinator and administrative support and subsequent recruitment.
- Wider Consultation on the Model –consultation planned with the Workforce Planning Group. Further discussions will also be required with SDS, major training providers and employability partners to confirm support arrangements. Roll out an implementation plan

including confirmation of number of target apprentices, identification of opportunities within departments and amendments to recruitment policies

- Report back to Policy and Resources Committee with an update on progress made

## **7. CONCLUSION**

To directly contribute to the unprecedented challenge of youth unemployment posed by the current recession, to lead from the front with other public and private sector employers and to respond to the Scottish Governments policy priorities the council must act.

The recommended approach provides an affordable option which will also help the City Council with succession planning and introducing a more representative workforce.

The delivery of the Modern Apprentice Scheme approach represents a substantial exercise across the Council and must be suitably resourced, directed and managed. The Council, in line with other public sector bodies should embrace this initiative and seek to gain the potential benefits

## **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 issues in this regard to report, however the recommendations contained in this approach will positively impact on the Councils Fairness, Anti Poverty and Economic Development objectives. Specifically the development of this policy will secure additional employment opportunities in the form of apprenticeships for young people.

An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>

There are no major issues.

## **9 CONSULTATION**

The Chief Executive, Head of Democratic and Legal Services and other Chief Officers have been consulted in the preparation of this report. Consultations have also been held with the Trade Union Representatives and Workforce Planning group. The proposed approach has also been shared with Dundee Partnership Management Group.

## **10 BACKGROUND PAPERS**

Scotland's Youth Employment Strategy - Action for Jobs - Supporting Scotland Young People into Work, June 2012

Review of Staff Training Function – Report to Policy and Resources Committee January 2013

Marjory M Stewart, Director of Corporate Services

20 December 2012

JOB DESCRIPTION – SOCIAL WORK DEPARTMENT

IDENTIFICATION

Post Title:	Modern Apprentice Co-ordinator	Post Ref:
Section:	Learning and Workforce Development	Grade: 9
Responsible to:	Service Manager	
Responsible for:	Clerical Assistant	

JOB PURPOSE

To develop, manage and administer all aspects of the Council's Modern Apprentice initiative.

PRINCIPAL WORKING CONTACTS

- 1 Senior officers within the council regarding apprentice opportunities
- 2 Other outside bodies, agencies and training providers as required.
- 3 Employability staff
- 4 Modern Apprentices

MAIN DUTIES

1. Promote and develop an expanded modern apprentice programme in Dundee City Council
2. In conjunction with Senior Officers in departments and Human Resources, consider and assess vacant and new posts for their potential to become apprenticeships.
3. Liaise with Skills Development Scotland contracted training providers to source appropriate Modern Apprentice frameworks and training which reflect the needs of different departments.
4. Match apprentice frameworks to key job roles at different levels.
5. Support departments to achieve their modern apprentice targets
6. Support departments in the recruitment and selection of modern apprentices including the development of a recruitment and selection model to support modern apprenticeships in partnership with employability partners.
7. Develop and co-ordinate "Get ready for work" work placements and Activity Agreements, throughout Dundee City Council.
8. Develop and agree internal progression routes for Dundee City Council modern apprentices and arrange and agree support arrangements for those who cannot be retained.
9. Liaise with Other Departments (e.g. Environment Department) linking in where possible regarding the provision of training initiatives
10. Provide support to departmental supervisors with regard to coaching and mentoring including the provision of training.

11. Ensure that an employability element is included in all modern apprentice opportunities, in partnership with employability staff
12. Coordinate the development of programmes to support harder to reach groups in partnership with employability colleagues including exploring pre-recruitment models and formal links with placement programmes including “Get ready for work” and Activity agreements.
13. Contribute to the effective administration and record keeping of the Learning and Workforce Development section.
14. Coordinate funding arrangements for modern apprenticeships.
15. Actively seek funding resources to expand the modern apprentice scheme
16. Prepare and present reports for Senior Management Team
17. Monitor outcomes of the scheme in relation to the Single Outcome Agreement and Fairness Strategy
18. Promote opportunities for Modern Apprentices outwith the Council and share good practice with neighbouring authorities and Community Planning Partners

#### OTHER DUTIES

This job description is a broad picture of the post at the date of preparation. It is not an exhaustive list of all possible duties and it is recognised that jobs change and evolve over time. Consequently, this is not a contractual document and the post holder will be required to carry out any other duties to the equivalent level that are necessary to fulfil the purpose of the job.



## Modern Apprentice Wage Information

## Craft Hourly Wage Rates

1st Year	2nd Year	3rd Year	4th Year
£3.45	£4.46	£7.06	£9.15

	Hourly Rate
Apprentice Minimum Rate *	£2.65
Minimum wage rate for 16 - 17 year old	£3.68
Minimum wage for 18 - 20 year old	£4.98
Minimum wage rates for 21 and over	£6.19
50% Current Living **Wage	£3.60
Current Living Wage ***	£7.20
50% Living Wage (from April 2013)	£3.72
Living Wage (from April 2013)	£7.45

All costs exclude employer costs

\*Apprentice Rate -applies only for apprentices who are under 19 years old or in the first year of their apprenticeship

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 14 JANUARY 2013**

**REPORT ON: REVIEW OF STAFF TRAINING FUNCTION**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 24-2013**

## **1. PURPOSE OF REPORT**

This report proposes a new operating model for the staff training function – to be known as the Learning and Workforce Development Service. At the heart of the model is the desire to strengthen the corporate team, increase our use of e-learning, minimise duplication of effort and better support our key corporate learning and development needs. It also addresses the support arrangements required to develop a Modern Apprenticeship Scheme.

## **2. RECOMMENDATIONS**

The report recommends implementation of the Operating Model set out in Appendix 1. The specific recommendations are that:

1. The Social Work Department's Learning and Workforce Development Manager is allocated additional responsibilities for the management of the corporate training function (including IT) and the development of a Modern Apprenticeship Scheme. Accordingly she will have two reporting lines, one departmental and operational as at present to the Head of Strategy, Performance & Support Services (Social Work) and the other corporate and functional reporting to the Head of HR.
2. Clear boundaries are set in terms of responsibilities for corporate and departmental training. The corporate team will be responsible for all generic learning and workforce development, whilst departments will be responsible for service specific and professional development only.
3. The corporate team is strengthened by:
  - the regrading of one Training and Development Officer post to Senior Learning and Workforce Development Officer (Grade 11) in line with the Senior Officers in the Social Work Learning and Workforce Development Service
  - the filling of the current vacant Training and Development Officer post with either 2 part time or 1 FTE
  - the establishment of a post at Grade 9 (£26,604 - £29,518) to develop and support a Modern Apprenticeship Scheme – this could be achieved by either transferring 5% of each department's current training budget to cover the staffing cost, or by transferring a current member of staff into the post and thereby no additional staffing costs would be incurred
  - the establishment of a post of Training Assistant (to be graded) whose main task will be the building of e-learning materials using the 'bild' software – this too could be achieved by transferring a current member of staff into this post

- the deletion of one Training and Development Officer post
4. A corporate budget is allocated for generic learning and workforce development. For the first year i.e. 2013/14 this could be met by transferring 5% of each department's allocated training budget, whilst from 2014 onwards it should be based on a corporate Learning and Workforce Development Plan.
  5. The budget for the Leadership programme (£20k) is transferred from the Chief Executive's Department to the Corporate Services Department in 2013/14, to be managed by the Head of HR.
  6. The corporate training function assumes the title of corporate Learning and Workforce Development.

### 3. **FINANCIAL IMPLICATIONS**

It is proposed that the new operating model is funded from within existing resources i.e. by transferring 10% of each department's staff training budget - 5% to fund a new post to develop a Modern Apprenticeship Scheme and a further 5% to cover generic learning and workforce development. This amounts to £114k.

### 4. **BACKGROUND**

Over recent years the Council's training function has changed considerably. There has been a blurring of responsibilities between the corporate team and the departmental trainers and a move away from the traditional supply-based model with a menu of generic courses, to a more demand-based model. This has resulted in duplication of effort and inefficiencies.

Also, as a major employer in the City, it is important to recognise the need to create training and employment opportunities for young people which will both assist in addressing the challenge of youth unemployment and act as a preventative measure to prevent cohorts of young people becoming disengaged with the labour market. The development of a Modern Apprenticeship Scheme is the subject of a separate report but it is prudent to establish within this new operating model the responsibility for the development and support of the scheme.

### 5. **OUR SPECIFIC BUSINESS NEEDS**

Key priority areas for the Council which have corporate implications for learning and workforce development are:

- Workforce planning
- Customer services
- e-learning
- Communication
- Staff involvement and empowerment
- Changing for the Future - continuous improvement and the STEP programme
- Leadership and change
- Shared services with other local authorities and organisations

A key challenge we face is the fact that we have an ageing workforce, however there are opportunities which we can and must take, such as:

- greater use of e-learning materials and other new technologies which allow training to be delivered at a fraction of the cost and to decentralised employees
- corporate procurement of external training, rather than single departmental purchasing arrangements in order to negotiate reduced costs
- development of a Modern Apprenticeship Scheme.

## 6 CURRENT OPERATING MODEL

The current operating model for the training function was designed to devolve the more technical and service specific learning and workforce development activities to departments and to reserve the more corporate generic training, e.g. recruitment and selection, managing sickness absence, handling disciplinary matters to be co-ordinated and delivered from the corporate team. However, the boundaries of responsibilities between the corporate team and the departmental trainers have been blurred over the years, the result being duplication of effort and inefficiency.

Within the central HR division there are currently 2 corporate Training Officers. Their training priorities include:

- the provision of advice and guidance to departments on SVQs and other learning and workforce development solutions
- the provision of a range of face to face training in subject areas such as recruitment and selection, managing sickness absence, handling disciplinary matters and conflict resolution
- the development and roll out of a Management Development Programme through the Institute of Leadership and Management
- the development of the Council's E-Learning Strategy and e-learning site.

Certain departments also employ their own in-house training officers (see Appendix 2 for details).

The Environment Department currently manages a traditional craft apprenticeship scheme for around 50 apprentices at any given time.

The Social Work Department has a well established Health and Social Care Academy operating in partnership with NHS Tayside, Gowrie Care and Dundee College. This was originally set up to address workforce development challenges and to allow students to gain experience through a mixture of academic study and work placement experience. Initially the model was set up with a full time project manager to build an infrastructure to support the programme but now it is managed by a Learning and Workforce Development Officer as only one element of their responsibilities.

## 7 PROPOSED NEW OPERATING MODEL

The operating model being proposed here is shown at Appendix 1.

- It is proposed that the Social Work Department's Learning and Workforce Development Manager is allocated additional responsibilities for the

management of the corporate training function and the development of a Modern Apprenticeship Scheme.

She will have two reporting lines, one corporate and functional, the other departmental and operational. The departmental/operational relationship will be the stronger of the two and will continue to be the provider of day to day management. The corporate/functional reporting line will be to the Head of HR.

The Social Work Department has the largest learning and workforce development team in the Council and has been a key player in the development of our leadership development programme and the collaborative training agenda. The central team would benefit from being part of this larger service. It would provide a strengthening of the corporate training function and allow opportunities to better support the key 'corporate' priority areas identified above. This new model would also allow for the most cost effective use of the skills mix across the total learning and workforce development staff complement.

- The redesigned function will be co-located at Dudhope Castle where there are suitable facilities including an e-learning lab.
- Also proposed is agreement to:
  - the regrading of one Training and Development Officer post to Senior Learning and Workforce Development Officer (Grade 11) in line with the Senior Officers in the Social Work Learning and Workforce Development Service
  - the filling of the current vacant Training and Development Officer post with either 2 part time or 1 FTE
  - the establishment of a post at Grade 9 (salary scale) to develop and support a Modern Apprenticeship Scheme – this could be achieved by either transferring 5% of each department's current training budget to cover the staffing cost or by transferring a current member of staff into the post and thereby no additional staffing costs would be incurred
  - the establishment of a post of Training Assistant whose main task will be the building of e-learning materials using the 'bild' software – this too could be achieved by transferring a current member of staff into this post
  - the deletion of one Training and Development Officer post

The establishment of a post to develop and support a Modern Apprenticeship Scheme is based on the experience of the Social Work Department in setting up their Health and Social Care Academy.

The creation of a post of Training Assistant in the central team is proposed as it is expected that the demand for the development of e-learning materials will expand exponentially. The main duty of this postholder will be the actual build of e-learning materials using the 'bild' software. This will allow departmental staff to focus on the content of the e-learning modules, whilst the Training Assistant will concentrate on the actual creation of the module using 'bild' technical expertise. Departmental staff are currently required to do both. A Training Assistant using the software on a daily basis would soon become an expert in its use.

With regard to IT training, there is currently one part-time (0.5FTE) IT Trainer, based in IT. This post has been approved for VER. Social Work currently dedicates time from a Learning and Workforce Development post (currently subject to job evaluation) to a number of knowledge management processes, including IT Training, e-learning development, the development of digital stories and support to SVQ processes. It is anticipated, within the new model, that this post will be able to contribute to corporate IT training and development requirements.

- The proposed model also involves setting clearer boundaries in terms of areas of responsibilities for both the corporate and departmental trainers:
  - The corporate team will be responsible for all corporate generic learning and workforce development in support of our key corporate priority areas and for corporate training needs arising out of the Changing for the Future Programme. Under the direction of the Learning and Workforce Development Manager their role will be to drive forward the Council-wide learning and workforce development strategy. They will be responsible for reviewing departmental learning and workforce development plans to ensure that the learning solutions are 'fit for purpose' and applied fairly and consistently across the Council. They will also be responsible for identifying corporate generic training needs in relation to our key priority areas and for determining the best training methodology. They will be required to work closely with the corporate Workforce Planning Group, the Corporate Improvement Team and the Performance and Improvement Team to predict other key issues likely to impact on staff learning and development needs and to address same. Their role will in effect become more strategic than at present, assisting the leadership within the Council to identify and address corporate workforce development needs. The team will where appropriate deliver internal training and will actively promote other learning options such as coaching, mentoring, job shadowing etc.
  - Departments will retain autonomy for departmental/service specific, on-the-job and continuing professional development of staff. In order to provide efficient and effective Council services we must ensure that every member of staff is appropriately trained for the specific role they carry out therefore it is right that the focus on job compliance training and professional development remains within departments and that this is determined through the Employee Professional Development Review (EPDR) process. Efficiencies will be gained by departments ceasing to arrange or provide any generic training, this becoming the sole responsibility of the corporate team. The commissioning or delivery of generic training by the corporate team only will allow economies of scale to be achieved. No corporate generic training should therefore be arranged by any departments, unless approved by the Learning and Workforce Development Manager.
- To strengthen our corporate governance arrangements it is also proposed that we develop a single corporate Learning and Workforce Development Strategy for the Council and the publication of an annual Council Learning and Workforce Development Plan. The strategy will set out our new corporate approach to learning and workforce development, whilst the plan will set out our specific learning and workforce development intentions.. The Head of HR will be responsible for incorporating the departmental plans into an annual Council Learning and Workforce Development Plan

- A separate corporate budget will be required for generic training. For 2013/14 it is recommended that each department transfers 5% of its current training budget into a centralised budget. From 2014 onwards the size of the budgets (centralised and departmental) should be determined and aligned with Council and departmental strategic priorities and planned activities

**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 issues in this regard to report on.

**9 CONSULTATIONS**

The Chief Executive, the Head of Democratic and Legal Services have been consulted in the preparation of this report.

**10 BACKGROUND PAPERS**

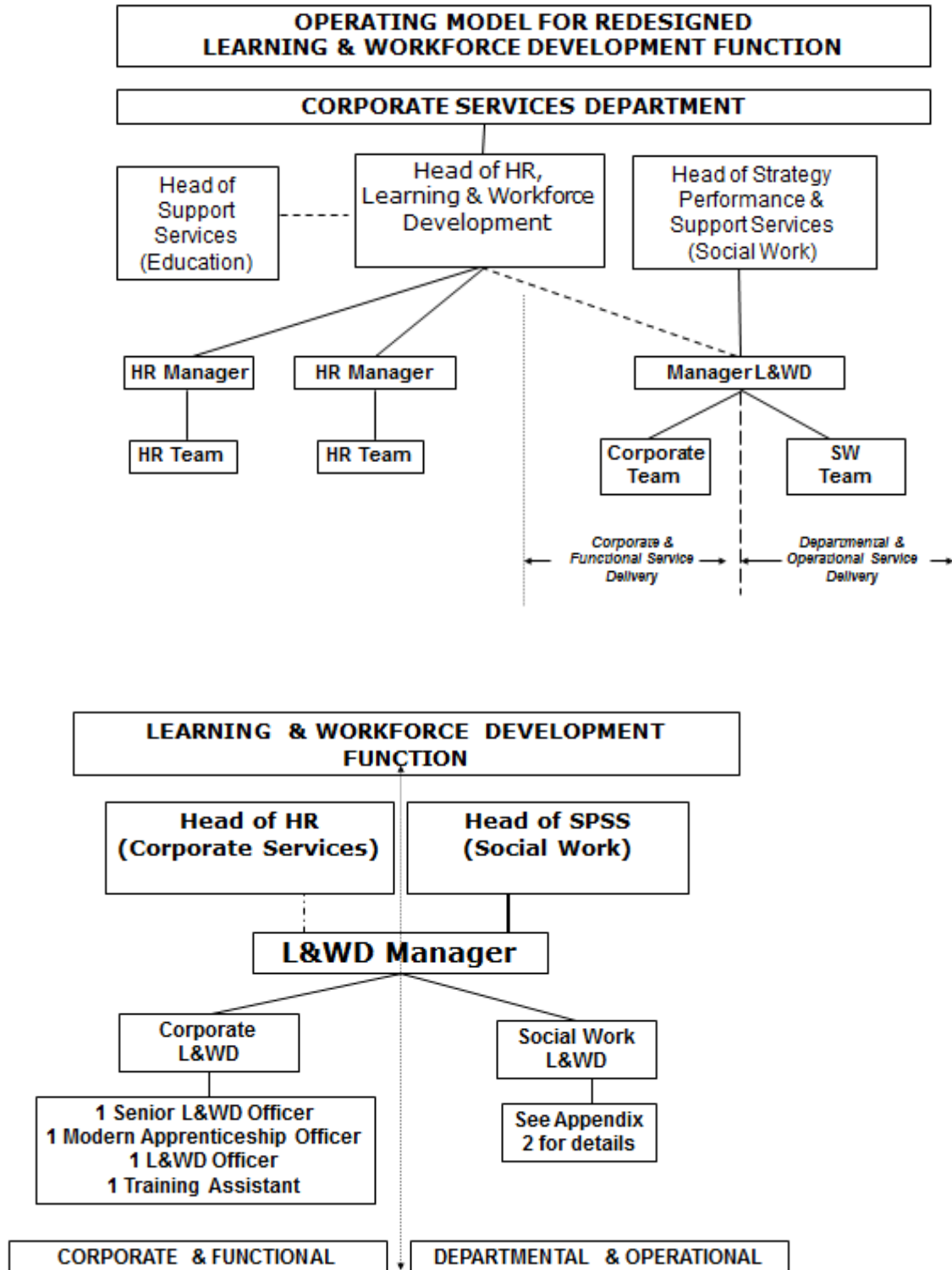
None.

David K Dorward  
Chief Executive

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07/01/2013

**Appendix 1 – Proposed Operating Model for Redesigned Training Function – to be known as the Learning and Workforce Development Function**





## Appendix 2 - Departmental Training Arrangements

Corporate Services Department - 2 full time Training Officers reporting to a Team Leader (HR), plus 2 part-time vacant posts. The current priority areas for the 2 corporate trainers include the development and roll out of a Management Development Programme through the Institute of Leadership and Management; the development of a Corporate Coaching Strategy in partnership with the Tayside Public Sector Coaching Alliance and the development of the Council's E-Learning Strategy. They also provide advice and guidance to staff on SVQs and other training solutions and they provide a range of face to face training in subject areas such as recruitment and selection, managing sickness absence, handling disciplinary matters and conflict resolution. There is also an IT Trainer (0.5FTE) in the IT Division, offering specialist IT training to all staff across the Council. This post has been approved for VER.

Revenues and Customer Services, Corporate Services Department - In-house training team consisting of one Senior Training Officer (Grade 10) and 7 FTE Training Officers (Grade 9). The training team report to the Systems and Training Manager (Grade 13) who has overall responsibility for the training function. The training delivered is on all aspects of the core financial systems used (e.g. Northgate, Civica, Debt Recovery, Cash Receipting, Corporate Visiting, Rent Accounting, Housing Benefit/Rent Allowance, and Council Tax Residue) as well as general office packages and operational training e.g. carrying out quality and performance checks. Additional specialist and professional training is purchased externally as required. The work of this team will be greatly affected by the welfare reform changes.

Social Work Department - There is a Learning and Workforce Development (LandWD) service within Social Work comprising of a Service Manager (Grade 13), 2 Senior LandWD Officers (Grade 11), 5.5 FTE LandWD Officers (Grade 10) (1 of which is vacant), 4 (1 of which is vacant) SVQ Assessors (Grade 7) and a LandW Development IT Training Assistant Post (Grade 5 but subject to job evaluation). The ratio of Learning and Workforce Development Officers to FTE staff in the department is around 1:226. Over the past two years, in conjunction with Angus and Perth and Kinross Councils the team has developed a shared Learning and Workforce Development Framework for Social Services, modelled on the SSSC Continuous Learning Framework. This framework sets out training requirements for all social services staff. Via Tayside Shared Services Collaborative Group and Tayside Social Work Forum they share good practice and have identified a number of areas where shared training services might be beneficial e.g. e-learning, leadership, management development and coaching. Current areas of social work training where the three councils are collaborating include: health and social care SVQ standardisation, practice learning qualifications, mental health officer training, protecting people training, induction (excluding aspects specific to the individual organisation), the use of digital stories, palliative care, making choices - keeping safe. Registration and a clear governance framework around the learning and development of social workers i.e. the Scottish Practice Learning Qualifications Framework underpins the work of the Learning and Workforce Development section.

Housing Department - 1 full time Training Co-ordinator reporting to Corporate Services Team Leader. Duties include: co-ordination of all training activities within the department; preparation of departmental training plan from individual employee reviews; provision of support to Team Leader on staff induction; provision of training sessions on basic child protection and customer care; provision of MAYBO Conflict Management Training (corporate programme); co-ordination of all departmental work placements (school and further education); completion of all documentation relating to further education courses maintenance of training databases.

Environment Department - 1 full time Training Officer and 1 Policy Officer. The department operates a craft apprenticeship scheme (currently training 40 apprentices and a further 12 soon to commence). The Training Officer administers the scheme. A Policy Officer co-ordinates

training and EPDRs for all other staff. A training plan is currently being developed for the department.

City Development Department - A Senior Admin Assistant acts as Training Co-ordinator and delivers 1:1 departmental training equivalent to 0.2 FTE. There are no dedicated training staff. A previous Team Leader (Staffing) who was responsible for staff induction and staff development was recently moved to the corporate HR division following a Changing for the Future review of Personnel - the post holder is now outposted to City Development.

Education Department - The Educational Development Service provides specialist teacher/school specific training. Outwith the EDS there are no dedicated departmental training staff. A number of staff who had an element of training in their role have recently moved to the corporate HR section and the Finance Section following Changing for the Future reviews. The remaining headquarter's staff with an element of training in their role are currently subject to review as part of the Education Department restructure which is underway but not yet finalised. They include an Early Years Training Co-ordinator (0.4 FTE).

## DUNDEE CITY COUNCIL

**REPORT TO: POLICY & RESOURCES COMMITTEE**  
**REPORT ON: SCOTTISH WELFARE FUND**  
**REPORT BY: DIRECTOR OF CORPORATE RESOURCES**  
**REPORT NO: 491 - 2012**

### 1.0 PURPOSE OF REPORT

The purpose of this report is to advise Committee of the proposed arrangements to enable Dundee City Council to deliver the Scottish Welfare Fund, due to be devolved to local authorities in April 2013. This is a temporary scheme for two years prior to a permanent scheme being introduced by the Scottish Government. The report gives background to the arrangements and details of recent national and local developments.

### 2.0 RECOMMENDATIONS

It is recommended that Policy and Resources Committee:

- 2.1 Note the proposed national and local arrangements for local authorities to deliver the Scottish Welfare Fund on behalf of the Scottish Government as part of Welfare Reform.
- 2.2 Instructs the Director of Corporate Services to develop the infrastructure required to support delivery of the Scottish Welfare Fund as part of a temporary scheme for a period of two years within the level of administration grant provided.

### 3.0 FINANCIAL IMPLICATIONS

- 3.1 Devolvement of the Social Fund Successor Arrangements to the Scottish Government comes with a ring-fenced budget of £23.8 million per annum with the Scottish Government contributing additional programme funding of £9.2m per annum to be distributed between all 32 Scottish Local Authorities between April 2013 and March 2015. Alongside this will be a ring fenced administration budget of £5 million in 2013/14 reducing to £4.6 million in 2014/15. In addition, the DWP has recently agreed to transfer £2m to the Scottish Government for set up costs which will be distributed to local authorities.
- 3.2 Funding for the national Scottish Welfare Fund will be allocated to individual local authorities according to an agreed funding formula proposed by the Joint Settlement & Distribution Group. The proposal is to base redistribution of the fund for the interim scheme on historic DWP spend patterns within each local authority area, with the 2011/12 figures recommended as the most appropriate allocation methodology. Work will continue nationally to develop a distribution methodology for the permanent successor arrangements from 2015. It is proposed that administration costs are allocated to local authorities based on 2011/12 applications. The distribution of set up funding has yet to be agreed.
- 3.3 The indicative allocations for Dundee City Council based on the 2011/12 DWP figures are as follows:

Community Care Grants	£986,000
Crisis Grants	£351,000
Administration Budget 2013/14	£180,000
Administration Budget 2014/15	£165,000

3.4 The fund will be cash limited and it is likely that demand for these grants will exceed the money available therefore it is essential that effective financial management processes are in place. In order to ensure consistency of service approach across Scotland, the financial management approach to managing the funds needs to be based on similar principles. In addition to a national application form, local authorities are asked to establish at least 2 budget headings, Community Care Grant Provision and Crisis Grant Provision. Authorities are free to vire between these headings without restriction however over time the aim of the national scheme will be to see a reduction in crisis expenditure with an increase in the proportion of expenditure as necessary on preventative spend in terms of Community Care Grants. Local authorities will have to determine how the annual fund allocation will be phased to reduce the risk of high priority funding applications being rejected each month due to no funding being available.

## **4.0 MAIN TEXT**

### **4.1 Background**

4.1.1 The current Social Fund system administered by the Department of Work and Pensions (DWP) is made up of two separate schemes. The first is the Regulated Social Fund, encompassing sure start maternity grants, funeral payments and cold weather payments. This scheme is remaining within the control of the DWP after 1st April 2013. The second is the Discretionary Social Fund, encompassing community care grants, budgeting loans and crisis loans. Within the discretionary scheme community care grants and crisis loans provision for goods and services are to be devolved to Scottish Local Authorities through the Scottish Government from April 2013. Budgeting Loans and crisis loan provision for alignment payments are remaining within the control of the DWP after 1st April 2013, (n.b alignment payments are required when individuals require money for living expenses at the start of a benefit claim to bridge the gap until a first benefit payment is made).

4.1.2 Within the current discretionary social fund, Community Care Grants and Crisis Loans provide one off payments to cover the costs of items for which it is difficult for individuals to pay for or which have been lost or destroyed as a result of an emergency or disaster. Applicants are eligible if they satisfy the qualifying criteria, but payments are discretionary and budget limited. If an applicant disagrees with a discretionary social fund decision, they can currently seek a review of that decision and then a further review to the Independent Review Service. Decisions are made on the basis of Social Fund Directions and national and local guidance.

4.1.3 The scheme to be created by the Scottish Government from the 1st April 2013 is to be named the Scottish Welfare Fund. The intention is that local arrangements will be put in place by local authorities to start administering the Scottish Welfare Fund on 1st April 2013. In the longer term the Scottish Government propose to introduce a social fund bill in the 2013/14 Scottish parliamentary session to come into force in 2015. This will form the basis of the permanent Social Fund replacement scheme from 1st April 2015. The Scottish Government's aim is that the permanent scheme be informed by best practice arrangements within the temporary scheme.

4.1.4 In October 2012 the Scottish Government and COSLA formalised a partnership agreement to work collaboratively to meet the challenges of implementing these new arrangements. A Design and Implementation Group (DIG) has been established to oversee the arrangements. In addition, COSLA has established a National Practitioners Network which supports local authorities through information sharing, guidance and provides local authorities the opportunity to influence the national developments associated with the scheme.

### **4.2 The Scottish Welfare Fund**

4.2.1 The Scottish Welfare Fund will be wholly grant based with no loans provided through the new scheme. In order to achieve better and more sustainable outcomes, the Scottish Government and COSLA are recommending that authorities should consider taking a holistic approach to the Scottish Welfare Fund and consider linking processing of grant awards alongside other sources of assistance and services for clients.

There is a clear emphasis on wider forms of assistance such as white goods procurement, access to budgeting, money advice, energy advice, housing options, income maximisation, community care assessments, provision of OT equipment, employability services and food parcel provision.

4.2.2 The fund is intended to:

- Provide a safety net in an emergency when there is an immediate threat to health and safety (Crisis Grants)
- Enable independent living or continued independent living, preventing the need for institutional care (Community Care Grants)

4.2.3 A grant can be awarded in case of crisis to meet expenses that have arisen as a result of an emergency or disaster in order to avoid serious damage or serious risk to the health and safety of the applicant or their family (eg money being lost or stolen and living expenses are required to be met, breakdown of relationships within the family, perhaps involving domestic violence, flood or fire causing substantial damage.)

In support of independent living a grant can be awarded to:

- Help people establish themselves in the community following a period of care where circumstances indicate that there is an identifiable risk of the person not being able to live independently without this help
- Help people remain in the community rather than going into care where circumstances indicate that there is an identifiable risk of the person not being able to live independently without this help
- Help people set up home in the community, as part of a planned resettlement programme, following an unsettled way of life
- Help families facing exceptional pressures and who lack the resources to meet irregular costs to provide a safe and secure environment for their children
- Help people to care for a prisoner or young offender on release on temporary licence.

4.2.4 It is anticipated that the likely users of the scheme (not an exhaustive list) will be:

- disabled people
- lone parents
- unemployed people
- older people
- care leavers
- homeless people
- ex-offenders
- carers

4.2.5 Local authorities have discretion on where in their organisation applications are processed and how they link in with existing supports. They will also have discretion on the type of assistance offered (e.g. cash, assistance in kind, provision of white goods, re-used goods/furniture). Application to the fund can be either referral from an agency or self-referral with eligibility criteria primarily based on current Social Fund criteria with some changes following feedback from stakeholders and DWP experience of managing the scheme. One of the key changes is that crisis grants will be linked to qualifying benefits (with an option for local discretion) while current crisis loans are not.

4.2.6 To encourage consistency across Scotland, there will be a standard national application form and applications may be made face to face, on the phone, via on-line applications or by downloading and posting the form. This will however be subject to the local authority's ability to provide these options.

4.2.7 National guidance in relation to the operation of the fund continues to be developed by the DIG and will also include the process for reviewing unsuccessful applications where the applicant does not agree the outcome.

4.2.8 Scottish Government has also proposed monitoring arrangements for the Scottish Welfare Fund from April 2013. These arrangements will provide statistical information about how the

new fund is working, how effective the scheme is against the previous DWP scheme and will serve to inform the development of the permanent scheme from 2015.

As well as providing statistical data the monitoring arrangements will require some form of qualitative measures to be in place to assess how well the scheme is performing from the customer's and administrators' perspectives. Local authorities will be asked to collate their own data and forward this to the Scottish Government on a quarterly basis.

### 4.3 Estimated Demand

- 4.3.1 In relation to the number of applications expected DWP have provided a local authority analysis of volumes of applications and amounts of expenditure on Community Care Grants and Crisis Loans. Figures from 2011/12 for the Dundee City Council suggest the following volume figures:

2011/2012	Crisis Loan Living Expenses	Community Care Grants
<b>Summary</b>		
<b>Number of Applications received</b>	6,100	2,840
<b>Total expenditure</b>	£240,500	£859,000
<b>Number of Awards</b>	4,700	1,390
<b>Success rates</b>	77%	49%

The above figures illustrate the level of demand for Social Fund Assistance in Dundee. This demand is likely to increase as welfare reform changes impact on low income families and individuals and the change from a crisis loan, requiring to be repaid, to a grant.

### 4.4 Service Delivery within Dundee City Council

- 4.4.1 Dundee City Council's Welfare Reform Group has identified and considered a number of service delivery options, including the responsibility for implementation and administration of the Scottish Welfare Fund being with the Revenues and Benefits Service or responsibility for the fund sitting with the Welfare Rights Service. However it is deemed by the Welfare Reform Group that the most effective method of service delivery is to adopt a shared responsibility approach between the Revenues and Benefits Service and Welfare Rights as this model will draw upon the current skills, strengths and knowledge of both these services and is best placed to deliver a more holistic approach as encouraged by the Scottish Government.
- 4.4.2 The model will see the Crisis Loan element of the Scottish Welfare Fund administered by the Revenues and Benefits Service with the Community Care Grants element administered by the Welfare Rights Service.
- 4.4.3 This approach will allow the relevant knowledge and skills to be specifically targeted towards the appropriate group of applicants. A joint approach will also allow for the sharing of knowledge and information in order to better determine entitlement to these grants, leading to consistent decision making. This approach will also ensure that the right referrals are made at the right time.
- 4.4.4 Revenues experience and expertise could be best utilised in dealing with applications for Crisis Grants. The administration of these grants is similar to part of Revenues current responsibilities in respect of the administration of Housing Benefit /Council Tax Benefit and Discretionary Housing Payments.
- 4.4.5 Welfare Rights experience and expertise could be best utilised in dealing with applications for Community Care Grants. Many of the applicants for Community Care Grants may already have had contact with Social Work or be known to Welfare Rights. Additionally Welfare Rights have excellent knowledge of available schemes, charities and other forms of assistance potentially allowing Scottish Welfare Fund budgets to go further and reach larger numbers of clients in hardship. Social Work are also better placed to make decisions on vulnerability and

have direct access to both the Social Work K2 (client record system) and Event Recording databases to check previous Social Work involvement.

A key tenet of this service would be to promote early intervention and consider all forms of assistance available to clients, whether other funding or alternative solutions such as money advice, income maximisation or food parcel or white goods provision.

- 4.4.6 As Revenues have an experienced customer services team, this service would be the contact point for applications for both grants to be made. The primary application route will be by telephone although the development of on-line applications will be explored. Local Authorities are expected to consider provision for face to face applications however these would be kept to a minimum. Revenues will also access the DWP customer information system (CIS) to verify entitlement to a qualifying benefit prior to the application being forwarded to the appropriate function to consider. Any further information required, or enquiries made in respect of applications made, would be dealt with by either Revenues in respect of Crisis Grants and Welfare Rights in respect of Community Care Grants.
- 4.4.7 This process is more likely to deliver the best outcomes for service users through a more efficient process while applying a whole system approach to tackling their needs. This is consistent with the Scottish Government's aims on public sector reform in creating a client focussed and integrated delivery landscape while supporting the Government's desire to tackle poverty and inequality through building the capacity of individuals, families and communities to manage better in the longer term. In addition, such an approach would support Dundee City Council's Fairness Strategy.

#### **4.5 Resource Implications**

- 4.5.1 The administration grant provided to Dundee City Council to deliver the Scottish Welfare Fund will be fully required to support the staffing establishment, purchase of IT software and other costs such as postages, telephony costs etc. The staffing structure will require the creation of additional temporary posts within the Revenues and Benefits service and Welfare Rights to form a team to deliver the distinct fund elements. The team will be co-located, with an emphasis on working closely together to ensure a smooth and efficient customer journey, the sharing of information, and a shared objective to find longer term solutions for the individuals and families.
- 4.5.2 Local authorities are required to purchase an IT system to administer the fund locally from within their administration grant. COSLA has provided IT providers with details of the management and performance information they require to monitor the fund, however there is no one preferred national provider. A number of the IT providers also currently provide IT systems to Revenues and Benefits services across the country and are therefore known to the service. Officers are currently assessing the options available and will work with the Corporate Procurement team to procure the appropriate IT support system. It is estimated at this stage that the cost of such a system would be around £12,000 - £15,000 per annum which will be funded from the Administration Grant.

#### **4.6 Other Considerations**

- 4.6.1 There are a number of other issues which need to be considered in developing the service delivery model and these are currently being progressed by the Welfare Reform Group. This includes the assessment of the options around the provision of the award (e.g. cash, vouchers, new or second hand white goods etc) and the creation of the infrastructure required to support this. Work is being led nationally by Scotland Excel in developing a national framework for the provision of white goods, with the Scottish Welfare Fund being a significant element of this. Officers from Dundee City Council are contributing to this.
- 4.6.2 In addition work is also ongoing nationally (including the DWP) regarding the development of a communication strategy regarding the changes to the fund and this will require a local perspective to make clear to potential applicants how and where they should apply.

## **5.0 POLICY IMPLICATIONS**

5.1 This report has been screened for any policy implications in relation to sustainability, strategic environment assessment, anti-poverty, equality impact assessment and risk management. There are no major issues.

5.2 A full Equality Impact Assessment on the Scottish Welfare Fund has been carried out by the Scottish Government and can be found as follows:

<http://www.scotland.gov.uk/Topics/People/welfarereform/socialfund/FullEQIA>

## **6.0 CONSULTATIONS**

The Chief Executive, Director of Corporate Services, Head of Democratic and Legal Services, Director of Social Work and Director of Housing have been consulted.

## **7.0 BACKGROUND PAPERS**

No background papers have been referred to.

Marjory Stewart  
**Director of Corporate Services**

DATE: 21<sup>st</sup> December  
2012



**REPORT TO: POLICY AND RESOURCES – 14 JANUARY 2013**  
**REPORT ON: IMPLEMENTATION OF WELFARE RIGHTS STRATEGY**  
**REPORT BY: DIRECTOR OF HOUSING**  
**REPORT NO: 26-2013**

## 1. PURPOSE OF REPORT

To provide an update report on the implementation of the Welfare Rights Strategy and to outline the arrangements to be included in future financial agreements with Welfare Rights providers across the city.

## 2. RECOMMENDATIONS

It is recommended that -

- 2.1 progress with implementing the internal parts of the strategy be noted.
- 2.2 e-learning packages and new referral system to ensure front line staff participate fully in the early intervention approach to help clients avoid falling into debt and the council from incurring debt is rolled out from January, 2013.
- 2.3 it is agreed that the proposals outlined in section 4.4 are included in future agreements with welfare rights agencies.

## 3. FINANCIAL IMPLICATIONS

- 3.1 Unless the council mitigates the effect of the Welfare Reforms and the economic climate for the people of Dundee, the debt burden on individual citizens will increase, as well as the amount of debt owed to the council. There will also be an effect on the spending power of local citizens and therefore on the local economy through money spent in local shops and on local services. To enable certain key elements of the strategy to be fully implemented and effective, the IT system in use among the advice agencies will require to be enhanced. The costs for this are being developed and early indications are that no more than £15k will be required.

## 4.0 MAIN TEXT

- 4.1 The Policy and Resources Committee agreed a new strategy for Welfare Rights in September 2011 (report number **411-2011**). This report set out to reduce the amount of debt incurred by the citizen's of Dundee, a significant proportion of which is owed to the Council. The report also set out the need to explore with external agencies ways of working together that would ensure better collaboration and more efficient use of resources available. In the period since then, a number of things have happened:

- effort has gone into producing training modules and easy prompts for front line staff to enable to identify and refer at risk clients to sources of advice
- more details of how the UK governments' welfare reforms will take effect have emerged and while we still have a far from definitive picture, proactive steps have been taken to help individuals who have been or will be affected
- work has been ongoing with external agencies to identify more efficient working methods, and these form the basis of the proposals outlined for inclusion in future financial agreement

## 4.2 *PROGRESS UPDATE - INTERNAL STRATEGY IMPLEMENTATION*

4.2.1 The strategy recognised that many of those who get into debt have not had their income maximised it follows that by maximising their income **before** they get into debt, the risk of incurring debt would be reduced. This is clearly better for the client, and for Dundee City Council would mean less resource required for debt recovery and reduced loss of income. It was also realised that the majority of those in debt

- Do not self refer until their debt is significant
- Most have not had their income maximised
- Have the council as one of their main creditors
- Have often had a conversation with a council officer when some financial difficulty or change of circumstance was referred to

4.2.2 The strategy represented a shift in the role and focus of front line staff, away from the narrower view of the benefits or services that their section processes and onto a wider and more holistic view of the client's needs. It is known that the majority of those who get into difficulties can trace the root of the problem back to some life event, such as bereavement, loss of job, or reduction in income. Some 15 such occurrences have been identified. Often it will be front line staff from another service who will hear of these events. Given that we know that individuals are quite unlikely to self refer, it is of paramount importance that the member of staff should take responsibility for making a referral and getting them into the system. To enable staff to recognise when they should make such a referral and where the client should be referred to a set of e learning modules is being developed round each of the different life events. The first 5 are now available. These are accompanied by a set of screen prompts - simple questions that will lead to an action plan generated by the system based on the client's responses. The first sets of these are now available.

4.2.3 Detecting and referring individuals early will increase the capacity of Welfare Rights staff. It generally takes less of their time to assist someone with small debts than to help resolve a situation where there are multiple debts and large sums involved. An even better outcome is to provide assistance before the individual has incurred any debt. A launch of the e learning modules and screen prompts took place in August and was attended by more than 60 first line managers and supervisors. This will be followed up with an email asking them to identify those front line staff who will be required to undertake the e learning modules.

## 4.3 *WELFARE REFORM*

The Welfare Reforms and resulting cuts to benefits that are being introduced by the UK Government are now beginning to take effect, and these were outlined in report **438-2012** to the Policy and Resources Committee on 10th December 2012.

In relation to developing financial capability, the Financial Inclusion Strategy Group (FISG) have been addressing this issue, for example, getting budget planning included in school work under Curriculum for Excellence, and supporting and promoting projects like Making Money Work that deal specifically with budgeting and money management issues. This is in recognition that income maximisation without budgeting skills will often not be sufficient to solve the client's difficulties in the long term.

## 4.4 *EXTERNAL AGENCIES*

4.4.1 External agencies have been in receipt of funding totalling £771,054 per annum from Dundee City Council via the Dundee Partnership to provide Welfare Rights and Money

Advice under 3 year contracts which expire in March 2013. Whilst the existing contracts work reasonably well, and there is ample evidence that agencies adhere to, comply with and often exceed the contractual obligations, the nature of the contracts does not drive the best possible service across the city. For example -

- there is no definition of what constitutes best practice, far less a requirement to adopt best practice and innovate to raise the bar of what constitutes best practice. The new contracts should require organisations to define and adopt best practice and seek to continuously improve performance.
- there is no evidence available of speed of access to service. Clearly, in certain case types the timescale for conclusion of a service is largely out with the control of the agency, for example, waiting for an appeal to be heard. However, speed of access to assistance is one of the key components of the customer's experience, and properly measured, would help show where access to services requires to be improved. The new contracts should require reports that demonstrate end to end times for service provision with a view to encouraging an optimum service delivery.
- there is a great deal of unquantified anecdotal evidence that clients move between agencies. When this happens, there is no automatic movement of information accompanying the client. This creates duplication as agencies have to establish information already known to another agency. It also slows down service delivery. The new contracts should reduce and eventually eliminate duplication, which would also have the effect of increasing capacity

4.4.2 It is important that every opportunity is taken to ensure that Welfare Rights Advice across the city is efficiently delivered and well co-ordinated. Most agencies receive funding from a variety of sources and will not regard the council as their main source of income. However, the council uniquely is in a position to work with all of organisations to enable them to come together in the interests of providing the best possible service to all the citizens of Dundee. The Dundee Partnership is the appropriate forum to promote this. Over the last six months or so a number of initiatives have been started involving these agencies that have been designed to develop more effective, cooperative and efficient working methods. The current Financial Agreements with these organisations will expire in March 2013. The new contracts should incorporate these initiatives -

- a) Establish inter-agency best practice peer groups to decide on, implement and monitor for, best practice. The agencies have tentatively been started on this process and to date report that they have found it very useful to hear and discuss the different practices in use. This may lead to certain agencies concentrating on certain types of cases where their practice and expertise offer the client a better service.
- b) Produce reports demonstrating instance of best practice being offered, with a view to establishing reasons behind instances when best practice service was not provided. Agencies have participated in a short workshop demonstrating how this could work and reported themselves comfortable with the concept.
- c) Produce monthly reports on end to end time taken to deliver services Agencies are in the process of providing data for a first attempt at producing this report. (These two reports taken together will demonstrate responsiveness and effectiveness of service. Measuring outcomes is problematic, so measuring best practice is the next best option. Outcome measures are problematic in two ways - as is practice across the country, organisations will only report on benefits obtained for a client when they have confirmation of the award. However, in many instances they have no feedback

- this can be as much as 80% of the time for some agencies in relation to certain types of benefit claims - so levels of income obtained reports are likely to be wildly under representing the true picture. This problem applies equally to debt agreements negotiated, as agencies often don't find out whether these agreements have been maintained. .The second difficulty with outcome measures is that it can drive the wrong "safe" behaviours, such as only applying for a benefit when it is clear that the client will get the award and discouraging claims on behalf of clients where the granting of the award is less certain, in order to maintain high levels of desired outcomes achieved.)

- d) Improve the quality of the information from returns to make them more consistent and descriptive of the problem types, and provide better demographic details about their caseload. Good data would be an aid to service planning, but unless the quality of the data can be improved any planning will be based on erroneous data.
- e) Develop and implement an information sharing protocol - probably using an enhanced version of the CATS system (Coordinated Advice Tracking System), enabling information to migrate between agencies when the client migrates. This will save time for both agencies and speed up service delivery for the client.
- f) Provide data showing client postcode and problem type to enable planning information to be provided. This can be potentially being done using an enhanced version of CATS.
- g) Open diaries so appointments can be made on enhanced version of CATS. This will speed up service delivery, as it will be faster than a referral system. It will also enable informed choices regarding waiting times for different organisation.
- h) Participate in public awareness raising programmes. One of the major issues is that clients do not self refer at early stages of a financial problem, and many members of the public are unaware of where to seek advice. The earlier clients seek advice the easier the case is to deal with, saving time for the organisation and reducing stress and anxiety for the client. It is well worth promoting the considerable expertise that the Council's Trading Standards Department has in these areas, making the public aware of the Trading Standards role. This report makes no recommendation to change the role of Trading Standards, but acknowledges the benefits that might arise from improving public awareness of that role.
- i) In relation to the front line triage system being developed within the Welfare Rights Review, to be used by frontline council staff to identify individuals who might be at risk of falling into debt, consider contracting with agencies to provide a referral outlet for individual issues. e.g. where clients have difficulties with debt, make direct referrals to Brooksbank and CAB as well as the Welfare Rights Team. This way outcomes may be able to be tracked from a central point and more meaningful data could be built up in the longer term.

4.4.3 As noted in para 3.1, the CATS development will have a financial implication. The cost for this is being developed and early indications suggest that no more than £15k will be required. CATS is an IT system that provides the ability to enhance inter agency working. However it does need enhancement to improve functionality and to enable certain actions such as appointment systems to be included. The planned enhancement would enable clients to be referred by any of the council's front line to any of the agencies where appropriate assistance could be provided. In order to allow this easy referral arrangement to work smoothly and to ensure that good management information is available for future service planning, it is essential that all of the agencies

use CATS. This should be a requirement in the new Financial Agreements. It is recommended that ownership and responsibility for managing, developing and maintaining CATS should rest with the Dundee Partnership team.

4.4.4 In addition to all of the above, the Council should explore ways of helping these organisations to reduce their overheads by considering how they might access and use Council properties that are under utilised at present. All agencies involved in the Dundee Partnership currently have some level (mainly level 2) of accreditation through National Standards and have informally indicated a desire to maintain this. Such accreditation is to be welcomed.

4.4.5 The various changes that are already beginning to happen in relation to Welfare Advice mean that future demand is impossible to predict. However, it is certain that demand will increase. The Advice agencies will have their existing workload and cases. They will also start to get early referrals from council staff as they identify individuals who are at risk. Eventually this will lead to a change in the profile of caseloads - fewer complex cases and more where the problem has been identified early - but for a period there will both types of demand. There will also be additional demand resulting from the Welfare Reforms programme. This is impossible to quantify, although some information is known. For example, between 7,000 and 8,000 people in Dundee will need to migrate to the new Universal Credit, and it is likely that many of them will require assistance with this process, especially as applications will have to be made on-line. It will be important to monitor changes in demand, and to ensure that resources are in place to respond to the anticipated increase in demand. The council has, as outlined above, pursued two courses of action to increase capacity -

- encourage early intervention so that clients require less advisors' input
- encourage more effective and efficient working among the advice agencies

However, mainly because it is impossible to accurately predict the increase in demand, there may still be a gap between demand and capacity, and this will require to be monitored closely so that any mitigating actions can be implemented timeously to prevent any backlogs from growing and there will be a real possibility of a debt spiral developing. The returns mentioned in paragraph 4.4.2 help will serve this purpose.

4.4.6 Appendix 1 shows the activity levels supported by the funding they receive from the Dundee partnership, and the overall level of demand that they respond to from their various funding sources. It should be noted that no information is available for those organisations that provide money advice but are not part of the Dundee Partnership, and over the past few months it has become apparent that money advice workers and money advice schemes exist in places that we didn't know about. We are now aware of projects in various Housing associations, such as Servite and in various agencies in the Employability pipeline. FISG have now started a process of identifying these projects with a view to involving these groups in the FISG. Their absence from such involvement adds to the realisation that we' have only a partial picture of demand and capacity across the city

The key points to note from this table are that:

- the Dundee Partnership provides about half of the overall funding
- approximately £8 additional funding is gained for every pound invested in money advice. This is in line with findings from other studies
- approximately £6 of debt is rescheduled for every pound invested in money advice.

4.4.7 Responsibility for monitoring the performance of the organisations delivering Welfare Rights advice through the Dundee Partnership should rest with the Financial Inclusion Strategy Group. This should include:

- Receiving regular reports
- Verifying the accuracy of these reports
- Providing a forum for these agencies to discuss issues related to service improvement and to share best practice
- Using data supplied to inform planning of future services
- Using data supplied to match capacity to demand

The agencies are represented on FISG and so there is some potential for conflicts of interest that would require to be managed - but it is probably better that they are involved in a transparent process. The data gathering and analysis would be carried out independently, so FISG should be seeking responses and justification to performance differences/anomalies rather than debating what is acceptable.

**5. POLICY IMPLICATIONS**

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

**6. CONSULTATIONS**

The Council’s Strategic Management Team and external agencies (see Appendix 1) have been consulted in the preparation of this report.

**7. BACKGROUND PAPERS**

None.

Elaine Zwirlein  
Director of Housing

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07/01/2013

## Appendix 1

## Volumes and gains from DP and Other Funding Sources 2011/2012

Projects	DP award per annum	Total funding	Amount of debt that is re-scheduled From DP Funding	Amount of debt that is re-scheduled From All Funding	Amount of income increased from DP Funding	Amount of income increased from All Funding
<b>Brooksbank</b>	£143,930	£178,784	£905,459	N/K	£636,293	£692,508
<b>CAB</b>	£140,685(1)	£225,339	N/K	£578,095	£200,866	£969,363
<b>DEEAP</b>	£103,639	£168,019	£167,123	£167,123	£253,950	£253,950
<b>Dundee Carers</b>	£30,011	£49,309	N/A	N/A	£281,075	£352,104
<b>DNLC</b>	£188,060	£503,774	N/K	N/K	£837,665	£837,665
<b>Craigowl: MMW</b>	£81,377	£156,569	N/A	N/A	£606,944	£606,944
<b>Craigowl: Ten. Sus.</b>	£35,200	£72,953	N/A	N/A	£190,678	£373,800
<b>Welfare Rights: MAWs</b>	£48,152	N/K	£651,147	£6,622,119	£565,630	£4,900,092
<b>TOTALS:</b>	£77,1054	£1,468,110	£1,723,729	£7,367,337	£3,573,101	£8,986,426

Notes:

(1) Includes £110,000 from Finance

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 14 JANUARY 2013**

**REPORT ON: OPERATING MODEL RE-DESIGN OF ADMINISTRATIVE SUPPORT FUNCTION**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 25-2013**

## 1. PURPOSE OF REPORT

This report proposes a new corporate operating model for the admin support function across all departments of the Council - to be known as the Corporate Business Support Service and the creation of a centralised business support hub within Dundee House.

## 2. RECOMMENDATIONS

It is recommended that:

- a centralised admin support operating model is introduced across the Council as detailed in the body of the report
- a Corporate Business Support Manager is appointed to develop the new operating model – this could be achieved by transferring a current member of staff into the post and thereby no additional staffing costs would be incurred
- a Manager is appointed to set up and manage a new Business Support Hub within Dundee House – this too could be achieved by transferring a current member of staff into the post and thereby no additional staffing costs would be incurred

## 3. FINANCIAL IMPLICATIONS

A target saving of £1 million has been set for realisation by the implementation of this model - £400k in the next financial year and £600k in 2014/15.

At this stage it is unknown if any of the staff who might be effected by this review have applied for VER, however it is expected that VERs will account for some of the savings. The other savings will come from rationalisation through improved working practices.

## 4. BACKGROUND

General administration and data entry are two of the largest Council processes outside of actual service delivery, accounting for some 400FTE staff. Since the Council reorganisation we have been able to take advantage of certain administrative economies of scale but there is still duplication and inefficiencies. Each department has its own unique arrangements, determined over time in response to service changes and available budgets. To date there has been limited governance from the centre resulting in a variety of admin post titles and grades, inconsistencies in responsibilities and inefficiencies in procedures.



## 5. **PROPOSED OPERATING MODEL**

The operating model being proposed here has at its core the following priorities:

- to create a flexible yet consistent service that can better meet each department's specific needs as well as our corporate needs
- to consolidate resources across departments
- to identify and eliminate duplication of effort and inefficient working practices
- to establish a culture of sharing best practice and continuous improvement

This will require the appointment of a Corporate Business Support Manager and a Hub Manager. Both posts could be filled by transferring in staff whose current posts will be most affected by the review and thereby no additional staffing costs will be incurred.

All departments of the Council and all admin support functions are considered to be within the scope of the new model. Work has already been carried out by the Project Review Group in relation to the identification of Corporate Business Support Services and it is proposed that the transition is carried out in stages – by function. This will minimise disruption to departments and will help to build admin teams from the outset.

It is proposed that the following services are the first to be transferred to the new Corporate Business Support Service:

- Secretarial
- HR Admin and Processing
- Document Production
- Minute Taking
- Information and Records Management
- Information Enquiries & Complaints
- Data Entry
- Organisation of Meetings
- Finance & Procurement Admin Processing
- Printing, Scanning and Mail Handling

Staff currently undertaking the above duties will continue to do so under the new operating model and there will be no immediate change to the way the services are delivered to departments on a day to day basis.

Departments will be responsible for identifying the staff to transfer and it is important that all appropriate staff are identified early. This will ensure that the correct skills and experience transfer for the corporate good, thus ensuring seamless service delivery and early service improvements.

The identified staff will be transferred to the Corporate Services Department and for some staff this might also mean a move to a central hub in early 2013 - but the service they deliver will continue to be provided. There will be no loss of service to individual departments. It is in fact anticipated that very quickly more consistent levels of support will become apparent and efficiencies of scale subsequently realised.

To minimise any risk in transition, departments will be required to identify any backlogs of work within each function prior to transfer so that this can be built in to a work-plan and/or addressed prior to function transfer. Departments will also be asked to identify any high risk activities carried out by the transferring staff so that these can be properly planned for.

Once the above services have been successfully transferred to Corporate Services the Project Review Group will then consider if there are any other departmental admin support services that would also be better delivered from within the new corporate service. The review process will begin again until such time as all appropriate admin support services are centralised under Corporate Services with a target date for completion of the project by November 2014.

At this stage it is recommended that Members' Support Services and the Dead Letter Office (DLO) are dealt with in the final stage of the project. Also, although Leisure and Culture Dundee is currently excluded this could be reconsidered in the latter stages.

## 6. **IMPLEMENTATION PLAN**

It is recommended that the model is fully implemented over the next 2 years.

The main immediate tasks are:

- Establishment of a Corporate Business Support Manager post to lead and manage a range of business support services that will deliver to all departments of the Council. The post-holder will report to the Director of Corporate Services and will be accountable for the strategy and service development of the new corporate business support service. This will involve working with other corporate managers to ensure a coherent approach to the provision of a modern, integrated support service for the Council as a whole
- Establishment of a Business Support Hub Manager post to set up and manage a corporate hub within Dundee House. The post-holder will report to the Corporate Business Support Manager and will be accountable for the operational management, quality and efficiency of the new service
- Identification of all Corporate Business Support Services within scope for centralisation and of those, the services which would be better delivered from a central hub, to be located in Dundee House. (It is not intended that all services/staff should move to the hub)
- Identification of accommodation and resources needed for a central hub in Dundee House. This may mean a reconfiguration of floor space.

## 8 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no issues in this regard to report on.

## 9 **BACKGROUND PAPERS**

None.

Marjory Stewart  
Director of Corporate Services

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20/12/201

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 14 JANUARY 2013**  
**REPORT ON: DUNDEE FAIRNESS ACTION PLAN – FIRST PROGRESS REPORT**  
**REPORT BY: CHIEF EXECUTIVE**  
**REPORT NO: 22-2013**

**1. PURPOSE OF REPORT**

1.1 This report provides an update on all of the commitments set out in the Dundee Partnership's Fairness Action Plan.

**2. RECOMMENDATIONS**

2.1 It is recommended that Committee notes the progress made on the commitments included in the Fairness Action Plan.

**3. FINANCIAL IMPLICATIONS**

None.

**4. BACKGROUND**

4.1 The Dundee Partnership adopted *For Fairness in Dundee, the strategy for challenging poverty and promoting inclusion in Dundee* at its meeting in June 2012. A detailed action plan was prepared with commitments against each of the outcomes in the framework which addressed Social Inclusion, Financial Inclusion, Communities and Neighbourhoods, Health, Employability and Learning.

4.2 Progress on the Fairness Plan is being monitored using the Council's Online Plan Monitoring Database and appendix one shows full details of the first updates provided by lead officers.

4.3 Given that the Fairness Action Plan was only approved in June and that it contains many new commitments, reasonable progress has been made across the board and significant achievements already delivered include:

- adoption of Living Wage for Council employees
- community benefits through procurement policy adopted by the Council
- Dundee Partnership Social Enterprise Strategy and Action Plan agreed
- additional funding secured to pilot a family literacy initiative in Kirkton and St Mary's
- NHS Tayside Endowment Fund Board awarded funding to roll out social prescribing scheme for a further year
- community training delivered in partnership with the Poverty Alliance
- additional benefit tribunals representation delivered through Dundee North Law Centre
- preparation for welfare reform well underway featuring close partnership with public and voluntary partners including DWP

4.4 Regular updates will be collected and presented to Committee every six months.

5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. The Fairness Action Plan and progress in implementing it, will make a significant positive impact in tackling poverty in Dundee.

6. **CONSULTATIONS**

The Director of Corporate Services, Head of Democratic and Legal Services and all Community Planning partners have been consulted in the preparation of this report.

7. **BACKGROUND PAPERS**

None.

David K Dorward  
Chief Executive

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07/01/2013

**Dundee Partnership Fairness Action Plan 2012**

Description	Owner/Officer	Latest Assessment	Target Date	Status
<b>Dundee will be an internationally recognised city at the heart of a vibrant region with more and better employment opportunities for our people</b>				
Create a new childcare social enterprise for the city and support through the Business Gateway	Mike Galloway/Eric Peebles	<p><b>13/11/2012</b> Working group established to investigate and take this initiative forward. Early investigation of similar provision elsewhere has included a visit to 2 social enterprise nurseries in Glasgow. The development of a childcare social enterprise is a feature of the social enterprise strategy for the city that also includes consultancy support for advice, planning and commercial appraisal. Meetings with the consultants will commence before the year end.</p>	31/05/2017	On Schedule
Fast track referrals from welfare/advice services to employability pipeline	David Dorward/Derek Miller	<p><b>12/11/2012</b> Discussion underway with Discover Opportunities Centre on how FI agencies can refer appropriate clients to employability support projects. This will also dovetail with the Council's own early intervention initiative whereby front line staff are being upskilled to identify customers in need of support and make referrals to appropriate agencies.</p>	31/05/2017	On Schedule
Improve the success of the Dundee Employability Pipeline	Mike Galloway/Allan Millar	<p><b>03/12/2012</b> A number of activities have been undertaken, are underway or have been planned to improve the success of the Dundee Employability Pipeline including: Organisations funded through the City Council's Regeneration Fund or European Social Fund are required to join the pipeline. Recently organisations that are not directly funded by the Partnership, for example Remploy have joined the pipeline. This means that clients of existing deliver partners gain access to new services and clients of the new delivery partners gain access to the services available through the rest of the employability pipeline. Where organisations are not achieving the targets they agreed to deliver, they are subject to Performance Improvement Meetings where Council Officers alongside project staff will discuss actions designed to improve performance and agree an action plan. It was reported to the Dundee Partnership Employability Group in November that 11 of the 39 projects in the pipeline were not achieving their targets. In order to improve compliance with European Social Fund requirements, and to improve the quality of record keeping and client files, a self assessment regime was introduced in May 2012. In order to improve the alignment of the Dundee Employability Pipeline with The Scottish Government and Skills Development Scotland Strategic Skills Pipeline, the Dundee Pipeline will be reviewed and will become a 5 stage pipeline. This will have a long term impact of reducing administrative costs and ease the process of attracting external funding. The review, which may have to take account of reductions in funding, also allows the Partnership to identify which elements of the pipeline have been most and least effective in supporting clients achieve job outcomes and sustain job outcomes. Discussions are underway to create a single pot of funding. This has the potential to improve the alignment of funding sources, e.g. the alignment of objectives and outcomes, whilst reducing the administrative burden on</p>	31/05/2017	On Schedule

		projects.		
Increase social enterprise development including a new strategy for the Dundee Partnership	Mike Galloway/Eric Peebles	<b>23/11/2012</b> Strategy and Action Plan will be finalised by end Nov 12. A Social Enterprise Development Board will oversee and be responsible for supporting and monitoring implementation of the approved Action Plan. Implementation will be supported by external consultants with a specific brief to research and support the development of increased child care provision in the city as well as opportunities to develop new and grow existing social enterprises.	31/05/2017	On Schedule
Increase the number of modern apprenticeships for young people across all sectors in the city	Alan Baird/Rachael Thomas	<b>21/11/2012</b> An options paper for expanding the Modern Apprentice programme within Dundee City Council went to the Council's Strategic Management Team for consideration in September and a further update report has been requested for November 2012.	31/05/2017	On Schedule
Introduce and secure community benefits including employment and training opportunities from the Council's capital plan and all other major contracts awarded by Dundee City Council and across the public sector	Marjory Stewart/Karen Lawson	<b>05/12/2012</b> Community Benefits through Procurement Report approved at September Policy & Resources Committee. Working Groups now set up with each department to communicate and agree on desired approach. Currently gathering information on contracts due for renewal with aim to identify appropriate community benefit approach to be targeted in each specific contract.	31/05/2017	On Schedule
Maximise job creation, local employment and training opportunities from major economic regeneration developments including Dundee Waterfront, V&A at Dundee and the renewables industry	Mike Galloway/Stan Ure	<b>03/12/2012</b> Community benefit now being sought from all waterfront projects. Three small companies now set up in Dundee on the back of renewables prospects. Employment potential 20. Dundee College now expanded and re-equipped welding training facilities.	31/05/2017	On Schedule
Stimulate the creation of more small businesses	Mike Galloway/Eric Peebles	<b>23/11/2012</b> Fortnightly Enterprise Clubs have proved successful in stimulating and creating more small businesses, these briefing sessions providing the basics for individuals requiring more insight and direction on how to start a business. These initial briefing sessions are supported by community based business outreach surgeries, providing on-going support to assist individuals complete the business planning process and work towards starting their businesses.	31/05/2017	On Schedule
<b><u>Our children will be safe, healthy, achieving, nurtured, active, respected, responsible and included</u></b>				
Expand Save By The Bell project into secondary schools	Michael Wood/Paul Clancy	<b>03/12/2012</b> The link secondary Quality Improvement Officer is continuing to take a lead role in promoting the expansion of Save By The Bell across all secondary schools. Within one secondary school, first year pupils are provided with a leadership opportunity to manage the initiative within the school. Challenges, however, remain in increasing uptake within the secondary sector partly due to young people's access to a range of alternative saving measures.	31/05/2017	On Schedule

Implement Family Firm approach for looked after children	Alan Baird/Bert Sandeman	<b>29/10/2012</b> Family Firm approach is where DCC as Corporate Parents make available opportunities within DCC departments for work experience and/or jobs for looked after and previously looked after children. Family Firm in Dundee is well advanced with all DCC departments now signed up to consider where appropriate opportunities for LAC young people. The approach is now rolling out to NHS and other public sector employers.	31/05/2017	On Schedule
Increase the number of young people reaching positive destinations after school	Alan Baird/Karen Gunn	<b>05/12/2012</b> Unable to provide accurate update as the School Leaver Destination Results for period August 2011 - June 2012 carried out by Skills Development Scotland have not been published yet but are due in early December.	31/05/2017	Behind Schedule
Increase young peoples' financial capability through Curriculum for Excellence	Michael Wood/Paul Clancy	<b>30/11/2012</b> Within the Curriculum for Excellence 3-18, children and young people continue to develop financial capability through the achievement of related experiences and outcomes within the numeracy curriculum area. Specific curriculum interventions including Save By The Bell and Moneysense operable within a number of schools provide additional learning contexts in increasing young people's financial capability.	31/05/2017	On Schedule
Maximise take up of school clothing grants, free school meals and Educational Maintenance Allowance	Michael Wood/Paul Clancy	<b>30/11/2012</b> Revised school review procedures continue to address the uptake by pupils of FME. Within secondary schools, uptake of FME by pupils continues to be addressed through, amongst other measures, discussions around attainment and principle component analysis.	31/05/2017	On Schedule
Raise awareness and build capacity to provide early literacy learning experiences for children and adults	Stewart Murdoch/Marie Dailly	<b>04/12/2012</b> Additional funding has been secured from Education Scotland to pilot a targeted family literacy initiative at literacy hotspots in Kirkton and St Mary's. Initial contact has been made with 49 families.	31/05/2017	On Schedule
Remove financial barriers to extra-curricular activities such as school trips, music and sports activities for children from low-income households	Michael Wood/Paul Clancy	<b>03/12/2012</b> Briefings have taken place between Education SMT members and Head Teachers regarding the need to remove financial barriers to promote the participation of pupils from low income families within a wide range of opportunities for achievement in areas including sports, arts and cultural activities.	31/05/2017	On Schedule
<b>People in Dundee will experience fewer health inequalities</b>				
Deliver Focus on Alcohol project	Steven Dalton/Steven Dalton	<b>20/11/2012</b> FOA has become a recognised umbrella response to alcohol misuse in Dundee. A logo for the project was created by young people and a wide range of promotional / educational materials developed to help promote safe consumption of alcohol. These materials have been issued at many events and locations across the city. Two poster campaigns were developed to highlight specific issues in relation to alcohol misuse (including over consumption during the festive season and buying alcohol for those underage). In addition, funding was allocated to specific projects promoting a range of safe-drinking messages. A report on the overprovision of alcohol in the city has been developed and presented to the Licensing Forum. The report is due to be presented to the Licensing	31/05/2017	On Schedule

		Board by the end of 2012		
Deliver Keep Well and Hearty Lives programmes to vulnerable groups	David Lynch/Shona Hyman	<p><b>03/12/2012</b></p> <p>The first 6 months of 2012/3 has been challenging for both the Keep Well and Hearty Lives Dundee teams due to changes in funding and subsequent redesign. Significant progress has been made in delivering on both programmes. For the Keep Well extension, the first quarter from April to June saw a decrease in activity as general practice teams and core NHS staff planned for the new service. However there has been an increase in activity in the second quarter. There have been significant developments to support those offenders on community sentences which have resulted in an increased engagement with this group. As anticipated there are often complex health and social needs which require quite intensive support and follow up. A wide range of partners are involved in this work. Work supporting those who are homeless has restarted, building on previous learning with this group. Again the engagement and active involvement of a wide range of partners, particularly in the voluntary sector, has been critical to progressing this work, as well as the Health and Homeless Outreach Team. Progressing work to support those with substance misuse (drug and alcohol) issues has been challenging as Keep Well had no previous experience of working with this group. Partnerships with a range of statutory and non-statutory agencies have resulted in positive engagement with a number of people. It is anticipated this will increase as new ways of working continue to be tested. The Hearty Lives Dundee Active Families programme is supported by Dundee CHP, but delivered by the Sports Development Team with Leisure and Culture Dundee. The team continue to test innovative ways to support families within regeneration areas through both individual and group support. We are currently looking at increasing capacity in the team to cope with the number of referrals, and to potentially broaden the scope of the project to families who are not necessarily already supported by other agencies. Workplace Health Coaching for Hearty Lives Dundee continues to support individuals on low incomes around lifestyle change. The scope of this project is being broadened to accommodate self-referrals. We are also integrating this work more with workplace health checks for Keep Well which will be expanded over the coming year. Interim evaluation has been positive from those interviewed.</p>	31/05/2017	On Schedule
Develop a city-wide social prescribing approach targeted towards people with poor mental well-being	Stewart Murdoch/Sheila McMahan	<p><b>29/10/2012</b></p> <p>NHS Tayside Endowment Fund Board of Trustees has provided funding to roll out the existing social prescribing scheme, SOS (Sources of Support) in two further GP Practices from January 2013-14. The existing SOS scheme will continue to operate in Maryfield Medical Centre during this period. Support for wider approaches to social prescribing have been developed through the My Wellbeing tab of the Dundee City Council website, which has had over 6,500 hits in its first 4 months of operation.</p>	31/05/2017	On Schedule
Improve engagement on Recovery from alcohol and drug problems through the strengthening of existing links with community groups, family support groups and Community Planning Partnership structures	Steven Dalton/Steven Dalton	<p><b>12/11/2012</b></p> <p>The ADP has recently contributed to a Community Planning Partnership Forum on Recovery which explored the better linkages and support for mainstream agencies assisting with Recovery in Dundee. The ADP substance forum is currently in discussion with the Carer Centre in Dundee to explore other ways of involving carers. The Substance Forum has also recently discussed moving some meetings to the evening to</p>	31/05/2017	On Schedule



		enable those family members who work to attend. The Lead Officer will attend all LCPPs in the City to explore greater links and joint working on the Recovery agenda. This also includes a role for local communities in service development and commissioning and in the planning process.		
Improve mental wellbeing through increasing the resilience of residents in dealing with the negative impact of substance misuse	Steven Dalton/Steven Dalton	<b>12/11/2012</b> The Lead Officer will attend all LCPPs in the City commencing November 2012 to explore greater links and joint working on the Recovery agenda. The meetings will also focus on the development of locally specific initiatives aimed at improving the efficacy of residents in addressing substance related issues.	31/05/2017	On Schedule
Increase health improvement financial incentive initiatives	David Dorward/Paul Carroll	<b>03/12/2012</b> Smoking cessation incentives at present include give it up for you and give it up for baby and have been running for five years. External evaluation confirmed this was an efficient and effective approach. Plans are being developed to use financial incentives around healthy lifetime changes including blood borne virus management and weight management behaviours. This is still at the development stage.	31/05/2017	On Schedule
Increase referrals from health services to financial inclusion services	David Dorward/Derek Miller	<b>03/12/2012</b> A presentation has been made to the CHP Executive Group about the Council's early intervention initiative and the upskilling of Council staff to recognise signs of poverty and deprivation and to be able to offer appropriate interventions/referrals to expert advice from local agencies. The CHP Executive Group agreed that they too have staff whose daily work with patients will expose evidence of poverty and deprivation and create opportunities to refer patients to appropriate benefit, money or debt advice agencies. Agreed that CHP will be kept informed about the roll-out of the Council's initiative and will consider relevant NHS staff participating at the appropriate time.	31/05/2017	On Schedule
Provide access to financial inclusion advice to individuals as part of their recovery from substance and alcohol misuse	Steven Dalton/Steven Dalton	<b>12/11/2012</b> The ADP is currently revisiting the care pathway process in Dundee and exploring methods to engage with those in need of services and increase their retention. Income maximisation is viewed as a crucial initial step in the engagement process and steps are underway to include financial advice in all service providers' initial assessments.	31/05/2017	On Schedule
Reduce the prevalence of substance use amongst young people in Dundee	Steven Dalton/Steven Dalton	<b>12/11/2012</b> The ADP is currently revisiting the care pathway process in Dundee and exploring methods to engage with those in need of services and increase their retention. This will include developing a clear care-pathway for young people affected by their own substance misuse. Current services in the City may require to be redesigned to assist greater access for young people to effective interventions (including ensuring generic services for young people are able to provide substance misuse interventions). There will be a greater emphasis on the input of substance misuse prevention work within schools and other settings, including an input within the Curriculum for Excellence. the Key to Change Project has been redesigned to assist in the prevention work undertaken through schools in the City	31/05/2017	On Schedule

Review over-provision of alcohol in communities	David Dorward/Carole Robertson	<b>05/11/2012</b> The development of a community 'alcohol' profile taking account of information and data from the local authority, police, health, other statutory bodies and local community data has been compiled by a multi-agency group led by Public Health. A draft report on number/location of licences and incidence of alcohol related harm within electoral wards was endorsed by the Local Licensing Forum in Sep 2012. Subject to discussion at a joint licensing meeting in Dec, further work will be undertaken towards determining an assessment of liquor licences/overprovision in Dundee.	31/05/2017	On Schedule
Roll out StobsWELLbeing approach to improve mental wellbeing across community regeneration areas	Stewart Murdoch/Sheila McMahon	<b>29/10/2012</b> Funding has been agreed by NHS Tayside Endowment Fund Board of Trustees to roll out the Equally Well approach in Dundee's CRAs from January 2013-14. Community profiles are currently being developed to help identify the priority community for roll out in each ward and decisions will be made by LCPPs in November 2012. The roll out will involve delivery of Mind Yer Heid sessions and logic model events, establishment of health networks and support for tests of change to improve community wellbeing.	31/05/2017	On Schedule
Undertake targeted immunisation take up campaign	Lucy Rennie/Lucy Rennie	<b>20/11/2012</b> The Strategy and Performance Manager at Dundee CHP and Dundee City Council's Community Planning Manager met with Dr Chris McGuigan, Consultant in Public Health Medicine to discuss immunisation and targeting. It was agreed to further explore a couple of areas including immunisation uptake and looked after children, people who are homeless and substance misusers, and to explore further HPV immunisation for hard to reach girls.	31/05/2017	On Schedule
<b><u>Dundee will be a fair and socially inclusive city</u></b>				
Conduct community research through the EPIC Programme (Evidence Participation Change)	David Dorward/Peter Allan	<b>04/12/2012</b> The community training phase of the EPIC programme run by the Poverty Alliance will take place later in November 2012. Further sessions will be held in Dundee to explore the skills needed and the practical implications of a community research approach. Input will be provided by the Poverty Alliance and the implementation will rely on local partners identifying the model and offering the necessary support to communities.	31/05/2017	On Schedule
Conduct feasibility study into a financial inclusion bill paying service in preparation for impact of Universal Credit	David Dorward/Derek Miller	<b>12/11/2012</b> Discovery Credit Union has been liaising with its software supplier to ascertain what bill paying functionality is built into the current system. DWP has also been advertising nationally for proposals to create such a system and the results of that exercise are awaited. It is unlikely that a small CU such as DCU will be able to set up a bill paying function independently and so the outcome of the DWP exercise is crucial. DCU is also liaising with ABCUL to ascertain their plans. At this stage, DCU's investigations have gone as far as they can until information from DWP and ABCUL is to hand. A small group within DCU is monitoring progress closely.	31/05/2017	On Schedule
Deliver FSA Money for Life programme to students	David Dorward/Derek Miller	<b>03/12/2012</b> Contact made with Scotland's Colleges and discussions in hand about local provision of training re the Money for Life Programme. Waiting for confirmation of availability of trainer so local colleges and other groups can be invited to participate	31/05/2017	On Schedule
Develop local organisation to represent interests of people and	David Dorward/Peter Allan	<b>04/12/2012</b> Initial discussions have taken place with stakeholders across the public and voluntary sectors and	31/05/2017	On Schedule

community experiencing poverty		an exploratory event will be held in February in conjunction with the Equally Well roll out process.		
Expand use of National Entitlement Card to provide subsidised access to services and facilities	David Dorward/Paul Carroll	<b>03/12/2012</b> A group has met three times to review the policies and procedures related to concessions. It is working on entitlement criteria, nature of concession (discount level) and delivery through use of the NEC smartcard. The NEC smartcard team have also called the first meeting of a group to issue a KIDZ card so that children under twelve and their families can use the smartcard as part of the concessions approach. The smartcard also removes the stigma of using concessions because it is the same basis that everyone accesses the service.	31/05/2017	On Schedule
Explore Green Deal and bulk fuel buying schemes for Council tenants to reduce fuel poverty	Elaine Zwirlein/Heather Mcquillan	<b>22/11/2012</b> Green Deal is largely a private sector scheme and the Council has not yet reached a final decision on the extent to which it will be promoting the scheme. Alongside the Green Deal sits the ECO (Energy Company Obligation) which, amongst other things, provides subsidy towards the cost of expensive measures like external wall insulation and assists poorer householders. The Council will actively be trying to maximise the amount Dundee residents obtain in ECO funding to ensure that homes are not wasting energy and that fuel bills are no higher than they could be. The Council continues to examine the contribution a fuel-switching scheme could make to reducing fuel bills but no final decisions have been made on whether and how such a Council-led scheme could operate in Dundee.	31/05/2017	On Schedule
Implement new models of service and inclusion for children and young people emerging from the Total Place projects	Alan Baird/Bert Sandeman	<b>04/12/2012</b> Both the MCMC and Lochee Ward Pathfinder Total Place projects are making good progress. A blueprint for change for the Lochee Ward pathfinder has been developed and actions are moving positively ahead. The main development for the Lochee Pathfinder has been the agreement to establish a neighbourhood team with the task of engaging with and building the capacity of the communities which make up the Lochee Ward. The MCMC project is in the midst of engaging with key stakeholders and developing their own blueprint for change which will include measures to engage and intervene much earlier with the MCMC cohort	31/05/2017	On Schedule
Improve access to financial inclusion advice for offenders and pre-release prisoners	David Dorward/Derek Miller	<b>12/11/2012</b> Over the summer, presentations were made to Criminal Justice team managers, supervisors and team members about the range of support services available through local advice agencies. It has been agreed in principle that the local agencies should get together to deliver clinics for local offenders, and meetings to finalise the details of these clinics (dates/times/location etc) are scheduled this month	31/05/2017	On Schedule
Improve referrals to advice provision through computerised client referral system	David Dorward/Derek Miller	<b>03/12/2012</b> A group involving Welfare Rights and representatives of financial inclusion advice agencies has been established to scope out changes and improvements needed to the existing Coordinated Advice Tracking System (CATS). The Welfare Rights Review Group is currently liaising with agencies to identify problems experienced by current users, and quotes and specifications will then be obtained for the software developer for CATS as to the cost and timescale for improvements.	31/05/2017	On Schedule
Increase access to fuel poverty through Dundee Energy Efficiency Advice Project	Elaine Zwirlein/Ian Treanor	<b>23/11/2012</b> The project continues to establish new partnerships in the city to engage with those suffering from the effects of fuel poverty. To date we have visited 2,165 families and provided much needed assistance with fuel bills etc. Outcomes: Income Maximisation 41 awards £163,308 Warm Home Discount 799 Applicants £103,870 White Goods 332 Appliances £172,640 Interest Saving on above	31/05/2017	On Schedule

		on HP £ 92,518 Warm,Dry,Homes 379 Insulated £ 37,900 Fuel Assistance 43 Payments £ 860 Energy Monitors 200 Allocated £ 7,000 In addition, we have been chosen by SHE to discuss options to reduce/ write off fuel debts for families in fuel poverty.		
Increase benefit take up and income maximisation	David Dorward/Jim Duffy	<b>05/12/2012</b> The Welfare Review Group has examined the client experience in relation to support in making DLA claims and carrying out of Benefit Checks as a priority. A range of key criteria have been identified for these that will assist in identifying improvements that can be made to the process which will in turn help to increase benefit take-up and income maximisation. Future plans for the group will include looking at a wider range of benefits in a similar fashion e.g. ESA, Income Support, Pension Credit, etc. The Council has also embarked on a programme of up-skilling front-line staff to be proactive in recognising indicators of a range of poverty related problems and to offer support and advice to get customers linked to expert advice in Council and third sector advice teams. The aim of this is early intervention to address issues before they become deep rooted and complex, by increasing take up of benefit advice and carrying out income maximisation checks as early as possible.	31/05/2017	On Schedule
Increase debt advice and representation	David Dorward/Jim Duffy	<b>02/11/2012</b> Update report on Welfare Rights development prepared for Admin Group. Efforts under way to establish the full range of agencies providing debt advice and representation across Dundee.	31/05/2017	On Schedule
Increase membership of credit unions in the city	David Dorward/Derek Miller	<b>14/11/2012</b> Discovery Credit Union has a marketing group which is drawing up a marketing plan. A programme of promoting membership to Council staff has been embarked on, and work is in hand to develop links with employer partners who can facilitate saving via payroll deductions. Dundee University and Dundee College have become employer partners. At the end of quarter 2, DCU had increased its membership by 300 against an annual target of 600 new members. At end of October, Adult membership stood at 3898, with 2328 Junior members.	31/05/2017	On Schedule
Increase representation for individuals appealing at Benefit Tribunals	David Dorward/Derek Miller	<b>12/11/2012</b> A review of demand for representation at tribunals resulted in an additional post being created at Dundee North Law Centre. Initial funding for the period to 31st March 2013 was provided and the post should become self-funding from legal aid fees generated thereafter. The new post has been set a target of 500 appeals per annum, but there will be a learning curve before the post achieves maximum capacity. A total of 181 cases had been supported by the new post at the end of quarter 2 with verified financial gains to date standing at £169,227.	31/05/2017	On Schedule

Increase take up of Warm House Discounts	Elaine Zwirlein/Ian Treanor	<b>23/11/2012</b> The DEEAP have registered 799 families for Warm Home Discount (£130). this is payable to their electricity accounts and will help free up household income throughout the winter months.	31/05/2017	On Schedule
Introduce Living Wage to Dundee City Council and campaign to extend across contractors, partners and private sector employers in Dundee	Iain Martin/Iain Martin	<b>05/12/2012</b> Report No 368-2012 "Living Wage" was approved by the P&R Committee at its meeting of 29 October 2012. As a result, the Living Wage was implemented within DCC with effect from 1 November 2012.	31/05/2017	On Schedule
Introduce Poverty Impact Assessment to Dundee City Council and Dundee Partnership	David Dorward/Peter Allan	<b>12/11/2012</b> An overall procedure which incorporates poverty impact assessment with all the other policy impact assessment processes will be developed. A model developed for a similar purpose in P&K Council is being investigated.	31/05/2017	On Schedule
Introduce a charging and concession policy to maximise access services and support to encourage take up of services by people and communities experience poverty	Stewart Murdoch/Stewart Murdoch	<b>31/10/2012</b> A corporate working group has been established and has met on four occasions to review existing charging and concession policies , to seek examples of policies from other Scottish local authorities and to consider scope for improved targeting of concessions. Background work has been completed and the task ahead is to bring forward a number of options which can be costed and considered as part of the review of charges for 2013/14.	31/05/2017	On Schedule
Introduce poverty-sensitive Corporate Debt Policy in Dundee City Council	Marjory Stewart/Sandy Flight	<b>31/10/2012</b> Initial Corporate Debt Policy has been agreed by SMT. Group now looking at clear Corporate Debt prioritisation Policy.	31/05/2017	On Schedule
Provide access to affordable credit through Discovery Credit Union	David Dorward/Derek Miller	<b>14/11/2012</b> At end October, DCU had 1302 current loans, and a total loan book value of £762,022. DCU is offering 4 loan products catering for a range of needs.	31/05/2017	On Schedule
Provide additional information and support to individuals and households affected by welfare reform changes including all aspects of the introduction of Universal Credit	Elaine Zwirlein/Greg Colgan	<b>04/12/2012</b> The Welfare Reform Group has now been established with a work stream looking at Housing Services and impact on Welfare Reform. Information on the current changes being implemented is being issued to tenants. Information leaflet on under occupancy has been drafted and is currently under review. Information has been issued to Private Landlords	31/05/2017	On Schedule

Provide free cavity and loft insulation through Universal Home Insulation Scheme	Elaine Zwirlein/Heather Mcquillan	<b>22/11/2012</b> Dundee is currently midway through UHIS3. UHIS1 secured £250k from the Scottish Government and £86k from Scottish and Southern Energy (SSE - known locally as Hydro) and this allowed 62 lofts and 456 cavity-walls to be insulated. UHIS2 secured £360k from the Scottish Government and £178k from SSE and this allowed 1,031 lofts and 290 cavities to be insulated. UHIS3 is currently on-site in private sector dwellings throughout the city. The Scottish Government allocation was £415k and a further bid for an additional £200k was recently agreed. So far in UHIS3, expenditure has been £168k of Scottish Government funding and £114k from SSE. As SSE CERT funding must be spent before December, 2012, there is a race on to get as many insulation jobs done as possible before then. So far, 378 lofts and 89 cavities have been insulated. This is expected to be the last year of UHIS given the forthcoming change-over to Green Deal/ECO and the NRP (Scottish Government's National Retrofit) Programme).	31/05/2017	On Schedule
Provide training to council and partners on removing stigma and delivering poverty-sensitive services	David Dorward/Peter Allan	<b>04/12/2012</b> Initial discussions have taken place with the Director of the Poverty Alliance in Scotland with a view to piloting a new training course in Dundee in Spring 2013. If successful, this will form the basis of a broader roll out across partners.	31/05/2017	On Schedule
Publish the income gap between highest and lowest earners in public sector partners and encourage other employers in Dundee to do the same	David Dorward/Peter Allan	<b>12/11/2012</b> The approach adopted by the My Fair London campaign is being considered to determine whether it would be relevant and applicable in Dundee.	31/05/2017	On Schedule
Target benefit advice to low paid workers	David Dorward/Derek Miller	<b>12/11/2012</b> Financial Inclusion Strategy Group has discussed how FI agencies might cooperate in taking benefit money and debt advice to low paid workers. Agencies are currently preparing to provide support to the Council early intervention initiative, and to respond to increases in demand as a result of welfare reforms including cuts in housing benefit. The intention is therefore to monitor demand levels and to embark on the low paid worker campaign when resources are available.	31/05/2017	On Schedule
<b><u>Our communities will have high quality and accessible local services and facilities</u></b>				
Allocate grants to support community groups and activities through Community Regeneration Forums	David Dorward/Peter Allan	<b>12/11/2012</b> In the period to end October 2012, Community Regeneration Forums in Dundee had allocated £536,456 to local community groups and activities in the current financial year.	31/05/2017	On Schedule
Develop community centres and libraries as local access points to public and voluntary services	Stewart Murdoch/Doug Rennie	<b>12/11/2012</b> Across all community centres and libraries, citizens of Dundee have access to various public and voluntary services through a wide range of partnership agreements and in-house provision through ICT and other information media. The community centres are currently submitting a proposal to establish WiFi in all the centres.	31/05/2017	On Schedule
Explore options for transferring assets to communities	Mike Galloway/Colin Craig	<b>04/12/2012</b> Draft Community Asset Transfer Policy in consultation phase.	31/05/2017	On Schedule

Implement engagement frameworks to support local community plan priorities	Stewart Murdoch/John Hosie	<b>29/10/2012</b> Community Engagement Action Plans for each of the eight multi-member Wards were updated in June 2012. The actions in the Community Engagement Plans directly reflect the priorities identified in each of the Local Community Plans for the eight respective multi-member Wards.	31/05/2017	On Schedule
Increase capability of community groups in community regeneration areas	Stewart Murdoch/John Hosie	<b>29/10/2012</b> In 2012/2013, 70 different community groups accessed grants, buildings and/or equipment. 93 different community groups and voluntary sector projects received long-term support. 58 different community groups and voluntary sector projects received short-term support.	31/05/2017	On Schedule
Increase take up of Home Contents Insurance to protect vulnerable households	Elaine Zwirlein/Jim Fenton	<b>05/12/2012</b> Current take up of Home Contents Insurance is very low amongst council tenants. This is especially the case or those most vulnerable of our tenants. A Communication Strategy is being developed which has been designed to maximise the uptake of Home Contents Insurance across all council tenants, although particular attention and focus will be on vulnerable tenants. Consideration is being given to developing a range of options through which these tenants can be encouraged to and supported in applying for Home Contents Insurance.	31/05/2017	On Schedule
Introduce Community Allotment Initiative in community regeneration areas	Ken Laing/Gary Robertson	<b>04/12/2012</b> A number of sites are being evaluated within the city within the areas of deprivation. The objective is to prepare a report for consideration by the end of December 2012.	31/05/2017	On Schedule
Introduce Demand Responsive Transport using Council vehicles	Mike Galloway/John Berry	<b>26/10/2012</b> Proposals being developed by Sustainable Transport Team Leader.	31/05/2017	On Schedule
Introduce a capital programme to create and improve local community facilities	Stewart Murdoch/Neil Gunn	<b>26/10/2012</b> A Capital Programme of improvements for Menzieshill, Ardler, Kirkton, Douglas and Fintry Community Centres for the period 2012/13 and 2013/14 has been provisionally agreed. Options appraisals for capital programmes to buildings in Lochee and Broughty Ferry are being developed. Project Boards will be established to oversee the Community Facilities Developments in Coldside and Menzieshill.	31/05/2017	On Schedule
Promote local delivery of Stop Loan Sharks Project	David Dorward/Derek Miller	<b>03/12/2012</b> The Council's financial inclusion development officer has been liaising with the Scottish Illegal Money Lending Unit, and arrangements have been made provisionally for presentations to appropriate staff from Council and from partner organisations for mid-December 2012.	31/05/2017	On Schedule
Support community celebrations and festivals	Stewart Murdoch/John Hosie	<b>15/11/2012</b> Between 1st April and 30th September 2012, 34 Community Festivals were held across the city.	31/05/2017	On Schedule
Support vulnerable individuals and households to maintain their tenancies	Elaine Zwirlein/Jim Fenton	<b>20/12/2012</b> The provision of housing support is an essential part of the work being done by the department to ensure vulnerable tenants are better able to deal with the various issues associated with having a tenancy. A specialist Housing Support Team has been set up within the Housing Department to focus on vulnerable tenants living in multi storey developments in the city. This team has introduced a number of initiatives designed to provide support at the earliest opportunity, and in many cases, prior to the tenant moving into the tenancy. Also, all new tenants moving into the multi's are interviewed by a member of that team to ensure that everything possible is being done so that there is a greater likelihood of the tenancy being	31/05/2017	On Schedule

		maintained. In addition, work on developing a new approach to the provision of housing support for our most vulnerable mainstream tenants is nearing completion. An opt out service, rather than an opt in service is being considered. A pilot, involving the most vulnerable tenants in the multi's, will provide valuable information as to how best to move this proposal forward. However, there are other tenants who are also vulnerable, but their vulnerability is due to age. There are in excess of 2,000 elderly tenants living in sheltered housing who are currently supported by the sheltered warden service to live as independently as possible within their own tenancy. The department is currently carrying out a comprehensive review of the services provided to these tenants to see how best to deliver improved services in the future. The review is nearing completion and a report to the Changing for the Future Board is expected early in the new year.		
Target Tayside Police Community Impact Team to community regeneration areas as required	Stewart Murdoch/Liz Kay	<b>20/12/2012</b> Targeted hotspots have been identified using police, community warden and anti-social behaviour team databases. The creation of the new Community Safety Hub will allow for greater targeting of the Impact Team following daily co-ordination meetings.	31/05/2017	On Schedule
Target home safety support to community regeneration areas	Stewart Murdoch/Liz Kay	<b>05/12/2012</b> Community Safety Funding is match funded by Dundee Partnership funding to deliver a target hardening service. Dundee Partnership funding specifically targets regeneration areas and the CSP funding is used on a city wide basis. This is monitored both by the CSP and Dundee Partnership.	31/05/2017	On Schedule



**REPORT TO: POLICY & RESOURCES COMMITTEE - 14 JANUARY 2013**

**REPORT ON: TREASURY MANAGEMENT ACTIVITY 2012/2013  
(SIX MONTHS TO 30 SEPTEMBER 2012)**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 485-2012**

**1 PURPOSE OF REPORT**

To review the Treasury Management activities for the period 1 April 2012 to 30 September 2012.

**2 RECOMMENDATION**

The Committee is asked to note the information contained herein.

**3 FINANCIAL IMPLICATIONS**

The Treasury Management activity during the first half of the current financial year indicates that the Loans Fund interest rate of 4.80%, assumed when setting the 2012/2013 Revenue Budget, will be achieved. A saving of £250,000 is projected due to lower than anticipated interest rates together with a reduction in the required level of borrowing due to slippage on expenditure in the capital programme.

**4 BACKGROUND**

At its meeting on 22 March 2010, the Policy and Resources Committee approved the Council's Treasury Policy Statement setting out the policies which would govern all borrowing and lending transactions carried out by the Council.

The Treasury Policy Statement requires that the Policy and Resources Committee will receive and consider the Treasury Management Strategy before the commencement of each new financial year.

At its meeting on 26 March 2012, the Policy and Resources Committee approved the Council's Treasury Management Strategy for 2012/2013.

This monitoring report covers the Treasury Management activity over the first six months of 2012/2013 financial year.

**5 BORROWING**

**5.1 Long-Term**

Public Work Loans Board

<u>Date Taken</u>	<u>Amount</u>	<u>Rate</u>	<u>Years</u>	<u>Maturity Date</u>
29/08/2012	2,500,000	2.57%	9.50	15/02/2022
	<u>2,500,000</u>			

## 5.2 Short-Term

In order to indicate the level of short-term borrowing, shown below are the lowest and highest daily amounts outstanding each month, together with the short-term borrowing position at the end of every month and the range of interest rates at which borrowings were made:-

<u>Month</u>	<u>Lowest Amount Outstanding £m</u>	<u>Highest Amount Outstanding £m</u>	<u>Borrowing Position at End of Month £m</u>	<u>Interest Rate Range %</u>
April 2012	17.6	18.6	17.6	No market loans taken
May	13.6	17.6	13.6	0.32
June	13.6	21.4	18.4	0.28 to 0.32
July	18.4	18.4	18.4	No market loans taken
August	18.4	18.4	18.4	No market loans taken
September	18.4	23.4	18.4	0.28

The Council's Treasury Strategy document provides that the amount of the overall borrowing which may be outstanding by way of fixed rate short-term borrowing with an initial term of less than one year should be no greater than circa £38m (10% of total debt).

## 6 **LENDING**

Balances on reserves and variations in cash flow requirements mean that there will be surplus funds which will be invested for short periods (maximum of 364 days). Short term investments will be restricted only to those institutions identified in the Council's Approved Counterparties list provided they have maintained a suitable credit rating.

The lending figures shown include funds held on behalf of Tay Road Bridge Joint Board, Tayside Valuation Joint Board and Tayside Contracts.

An analysis of the lending position to 30 September 2012 shows:

<u>Month</u>	<u>Highest Daily Amount Lent £m</u>	<u>Lending Position at End of Month £m</u>	<u>Interest Rate Range %</u>
April 2012	31.8	14.4	0.25 to 0.87
May	30.9	14.9	0.25 to 0.87
June	32.7	15.6	0.25 to 0.87
July	34.4	4.1	0.25 to 0.87
August	37.0	7.7	0.25 to 0.87
September	31.6	10.2	0.52 to 0.87

All of these lendings were in compliance with the Treasury Policy Statement provisions on such lending with regards to amounts and institutions involved, with the exception of 22 to 26 June and 18 July 2012. On these occasions, The Royal Bank of Scotland's online system failed and maximum deposit limits were exceeded as it was considered prudent in light of the general uncertainty.

**7 OUTLOOK FOR THE SECOND HALF OF 2012/2013**

Some long term borrowing will be required in the second half of the year to fund the capital programme. This will largely be PWLB and will be taken based on an overview of interest rates over different maturities and the impact on future years borrowing strategy.

**8 PRUDENTIAL CODE INDICATORS**

The Treasury Management activity at mid year was maintained within the prudential code limits. Updated indicators are shown in Appendix 1. Limits for future years have been amended to take account of current expectations.

**9 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.

**10 CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

**11 BACKGROUND PAPERS**

None.

**MARJORY M STEWART**  
**DIRECTOR OF CORPORATE SERVICES**

**19 DECEMBER 2012**

**DUNDEE CITY COUNCIL  
PRUDENTIAL CODE INDICATORS - TREASURY MANAGEMENT INDICATORS**

Adoption of Revised CIPFA Treasury Management Code of Practice 2009

**Finance Committee 22/03/10 Report No 162-2010**

**Upper limit for variable rate exposure** %

Net principal re variable rate borrowing/investments	2011/12	<input type="text" value="30"/>
	2012/13	<input type="text" value="30"/>
	2013/14	<input type="text" value="30"/>
	2014/15	<input type="text" value="30"/>

**Upper limit for fixed interest rate exposure** %

Net principal re fixed rate borrowing/investments	2011/12	<input type="text" value="100"/>
	2012/13	<input type="text" value="100"/>
	2013/14	<input type="text" value="100"/>
	2014/15	<input type="text" value="100"/>

**Actual external debt (£000)** 2011/12

**Maturity structure of fixed rate borrowing 2011/12**

Where the periods are	Lower %	Upper %
Under 12 months	<input type="text" value="0"/>	<input type="text" value="10"/>
12 months & within 24 months	<input type="text" value="0"/>	<input type="text" value="15"/>
24 months & within 5 years	<input type="text" value="0"/>	<input type="text" value="25"/>
5 years & within 10 years	<input type="text" value="0"/>	<input type="text" value="25"/>
10 years +	<input type="text" value="50"/>	<input type="text" value="95"/>

Upper limit for total principal sums invested for over 364 days N/A

No sums will be invested longer than 364 days

<b>Authorised limit for external debt with limit for borrowing and other long term liabilities identified</b>	<b>Borrowing £000</b>	<b>Other £000</b>	<b>Total £000</b>
2011/12	413,000	83,000	496,000
2012/13	460,000	81,000	541,000
2013/14	480,000	79,000	559,000
2014/15	483,000	77,000	560,000
<b>Operational boundary for external debt with limit for borrowing and other long term liabilities separately identified</b>	<b>Borrowing £000</b>	<b>Other £000</b>	<b>Total £000</b>
2011/12	389,233	82,711	471,944
2012/13	435,000	81,000	516,000
2013/14	455,000	79,000	534,000
2014/15	458,000	77,000	535,000

## PRUDENTIAL CODE INDICATORS - PRUDENTIAL INDICATORS

<b>Capital expenditure</b>	<b>Non-HRA £000</b>	<b>HRA £000</b>	<b>Total £000</b>
2011/12	63,610	23,244	86,854
2012/13	58,094	24,652	82,746
2013/14	37,026	17,825	54,851
2014/15	33,662	14,660	48,322
<b>Ratio of financing costs to net revenue stream</b>		<b>Non-HRA %</b>	<b>HRA %</b>
2011/12		6.7	39.3
2012/13		6.7	41.8
2013/14		6.8	44.2
2014/15		6.8	44.2

**Net borrowing requirement**

	b/f 1 April £000	c/f 31 March £000	In Year £000
2011/12	348,886	382,583	33,697
2012/13	382,583	435,000	52,417
2013/14	435,000	455,000	20,000
2014/15	455,000	458,000	3,000

**Estimates of capital financing requirement**

	General Services £000	HRA £000	Total £000	Annual Movement £000
2011/12	255,674	168,202	423,876	36,102
2012/13	296,000	176,000	472,000	48,124
2013/14	313,000	178,000	491,000	19,000
2014/15	318,000	177,000	495,000	4,000

**Difference between net borrowing and capital financing requirement**

	Total £000
2011/12	41,293
2012/13	37,000
2013/14	36,000
2014/15	37,000

**Incremental impact of capital investment decisions**

(Increase in Council Tax per Report 144-2011 - Treasury Management Strategy & Annual Investment Strategy 2011/2012)

	Increase in Council Tax (Band D) per annum (£)	Increase in average housing rent per week (£)
2011/12	0.00	1.43
2012/13	0.00	1.07
2013/14	0.00	0.30
2014/15	0.00	0.00

**REPORT TO: POLICY & RESOURCES COMMITTEE – 14 JANUARY 2013**

**REPORT ON: REVISED LOCAL GOVERNMENT FINANCE SETTLEMENT 2013/2014 & 2014/2015, FINANCIAL IMPLICATIONS FOR THE CITY COUNCIL AND REVENUE BUDGET / COUNCIL TAX AND CAPITAL PLAN SETTING PROCEDURE**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 490-2012**

## **1.0 PURPOSE OF REPORT**

1.1 This report advises elected members of the announcement made by the Cabinet Secretary for Finance, Employment & Sustainable Growth on 27 November 2012 in respect of the revised Local Government Finance Settlement for 2013/2014 and 2014/2015. The report identifies the likely implications for the City Council and sets out the current position on the Council's Provisional 2013/2014 Revenue Budget. The report also sets out the procedure for setting the Revenue Budget and Council Tax for 2013/2014 and for agreeing the 2013-2017 Capital Plan.

## **2.0 RECOMMENDATIONS**

It is recommended that the Policy & Resources Committee:

2.1 Notes the contents of this report.

2.2 Notes the Council's revised Revenue and Capital Funding Allocations for 2013/2014 and 2014/2015, as announced by the Cabinet Secretary for Finance, Employment & Sustainable Growth on 27 November 2012, and the associated implications.

2.3 Notes the terms of the settlement to be provided to Local Government, as previously advised by the Cabinet Secretary for Finance, Employment and Sustainable Growth in a letter to COSLA dated 20 September 2012 (and as detailed in Section 4 of this report).

2.4 Notes the current position on the Council's Provisional 2013/2014 Revenue Budget.

2.5 Notes that the financial information included in this report will be updated as necessary and included in the Council Tax proposals to be submitted to the Special Policy & Resources Committee on 14 February 2013.

2.6 Agrees the procedures to be followed for setting the 2013/2014 Revenue Budget and Council Tax level, as set out in Section 8 and Appendix 2 of this report.

2.7 Agrees that the procedures for agreeing the Council's 2013-2017 Capital Plan should be the same as those for setting the 2013/2014 Revenue Budget and Council Tax, as set out in Section 8 and Appendix 2 of this report.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 The Council requires to identify budget savings totalling £6.5 million in order to achieve a Council Tax freeze in 2013/2014. In addition, savings totalling £2.8 million have already been reflected in the Provisional 2013/2014 Revenue Budget.

3.2 In the event that the Council does not agree to the full package of measures related to the Local Government Finance Settlement then the loss of grant would be circa £2.8 million.

#### 4.0 REVISED LOCAL GOVERNMENT FINANCE SETTLEMENT 2013/2014 & 2014/2015

4.1 Grant figures for the three year period 2012-2015 were first announced in December 2011 and subsequently updated in February 2012 and March 2012. These figures showed a revenue grant stand-still cash position in total across the three year settlement period, which was also the position for the City Council. On 27 November 2012, an announcement was made in the Scottish Parliament by the Cabinet Secretary for Finance, Employment & Sustainable Growth in respect of the revised Local Government Finance Settlement for 2013/2014 and 2014/2015. These figures have subsequently been confirmed in Local Government Finance Circular 5/2012, issued by the Scottish Government on 27 November 2012. The figures are provisional at this stage and are subject to consultation between the Scottish Government and COSLA, with the Local Government Finance (Scotland) Order due to be debated by the Scottish Parliament in early February 2013.

4.2 The revised revenue grant total figures for all Scotland for 2013/2014 and 2014/2015 are as follows:

	<u>2013/2014</u> <u>£m</u>	<u>2014/2015</u> <u>£m</u>
Updated Service Provision	10,787.019	10,858.204
2008-2013 Changes	824.363	808.757
Police Specific Grant Removed *	(489.304)	(489.304)
Loan Charges & PPP Schemes Support	746.457	705.228
Main Floor	-	-
Total Estimated Expenditure (TEE)	11,868.535	11,882.885
Assumed Council Tax Contribution	(1,906.100)	(1,920.600)
New 85% Floor	25.000	25.000
General Revenue Changes 2013-2015 *	(715.104)	(729.453)
Total Distributable Revenue Support	<u>9,272.331</u>	<u>9,257.832</u>
Figure Previously Notified	<u>10,476.739</u>	<u>10,476.589</u>
Reduction from Figure Previously Notified *	<u>(1,204.408)</u>	<u>(1,218.757)</u>

The revised figures show significant reductions from the figures previously notified in February 2012. This is mainly due to the removal of funding for Police and Fire services, with the impending change to national arrangements on 1 April 2013. Also, the Scottish Government has provided additional funding of £18.4m in 2013/2014 as a contribution to the estimated £40m shortfall in funding for Council Tax Benefit once this responsibility transfers from DWP on 1 April 2013. Further, some small amounts of new money have been made available to offset additional cost burdens falling on Local Government. A full reconciliation of the net reduction is shown below.

	<u>2013/2014</u> <u>£m</u>	<u>2014/2015</u> <u>£m</u>
Police - Specific Grant Removed	(489.304)	(489.304)
Police – Other Funding Removed	(468.950)	(468.150)
Fire – Funding Removed	(276.774)	(275.023)
Council Tax Benefit	18.400	tba
Blue Badge	0.720	0.720
Looked After Children	1.500	1.500
Free Personal & Nursing Care	3.000	4.500
Family Support	3.000	3.000
Police & Fire On-Going Costs	<u>4.000</u>	<u>4.000</u>
Net Reduction from Figure Previously Notified	<u>(1,204.408)</u>	<u>(1,218.757)</u>



4.3 The following paragraphs explain the main elements of the provisional grant settlement.

**Updated Service Provision** reflects the ongoing support for service provision and includes the following: (i) the Grant Aided Expenditure (GAE) assessments, (ii) the Special Islands Needs Allowance (SINA), (iii) the ongoing revenue grants that were previously ring-fenced but are now rolled-up within the settlement, (iv) the baselined redeterminations since the 2007 Spending Review and (v) the Council Tax freeze grant. **2008-2013 Changes** are the total non-ring-fenced changes in funding arising from the Scottish Government's 2007 and 2010 and 2011 Spending Reviews. **Police Specific Grant Removed** is the 51% specific government grant which is now being removed from the Local Government Finance Settlement in light of the move to a single national Police service on 1 April 2013. **Loan Charges and PPP Schemes Support** is the funding for historic and new capital debt, together with Level Playing Field Support (LPFS) for established PPP projects. Note, however, that support for Councils' new PPP projects is included within Updated Service Provision.

The **Main Floor** is the established self-financing stability mechanism that ensures that all Councils receive a maximum year-on-year decrease in funding (set at 1.4% for both 2013/2014 and 2014/2015). **Total Estimated Expenditure (TEE)** represents the level of Local Government expenditure that the Scottish Government is willing to support through the grant mechanism. The **Assumed Council Tax Contribution** is a deduction made from TEE to reflect the proportion of expenditure that is to be funded by the local taxpayer. The **New 85% Floor** represents the Scottish Government's commitment to ensure that no Council receives less than 85% of the Scottish average in terms of revenue support. **General Revenue Changes 2013-2015** are the changes to the funding figures previously notified in February 2012. **Total Distributable Revenue Support** is the total revenue funding available to Councils.

4.4 The Cabinet Secretary for Finance, Employment and Sustainable Growth wrote to COSLA on 20 September 2012 setting out the terms of the settlement to be provided to local government in return for the provisional funding allocations now set out in Circular 5/2012. Under the terms of the settlement all Councils will be required to continue to work in partnership with the Scottish Government in pursuit of Joint Priorities, including delivery of the Government's programme as set out in the First Minister's statement to Parliament on 4 September 2012 and the *Government Economic Strategy*. In addition, Councils will be required to deliver the following specific commitments in return for the settlement:

- maintain a Council Tax freeze
- maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme

The 2013/2014 provisional allocations set out in the Circular assume that all Councils will sign up to the package and therefore that the **full** amount (£9,272 million) will be issued.

The allocations have been arrived at using the standard agreed distribution methodology. As in previous years, the Circular shows, for illustrative purposes, the amount of Council Tax Freeze Grant which the Scottish Government plans to hold back under the terms of the Cabinet Secretary for Finance, Employment and Sustainable Growth's letter of 20 September 2012 to COSLA. If any Council does not agree to the full package available then it will have its allocation reduced by its needs based share of a package of resources worth in total £109 million across the whole of local government. This package of resources to be removed is made up of each Council's needs based share of:

- £70 million to deliver a Council Tax freeze
- £39 million for the teacher commitments

In a departure from the two stage sign-off arrangements agreed for previous settlements, for 2013/2014 only, those Council Leaders who do not intend to take up the offer and agree the full package of measures set out in the 20 September 2012 letter are required to write to the Cabinet Secretary for Finance, Employment and Sustainable Growth setting out the reasons why they do not wish to comply. This is to be done by no later than 11 March 2013, but preferably by the end of February 2013 (and ideally as soon as possible after they have set their budgets and announced their Council Tax levels for 2013/2014). If any Council Leader replies to say that their Council does not so agree, the full amount of the Council's needs based share of the £109 million sanction will be withdrawn from the overall Local Government Finance Settlement and redeployed by Scottish Ministers in the Budget Bill which will be laid before Parliament in January 2013. The City Council's estimated share of the £109 million package of resources is £2.8m in 2013/2014.

4.5 In terms of capital funding, the total support within the settlement from the Scottish Government has been reduced due to the removal of support for Police and Fire services, with the impending change to national arrangements on 1 April 2013. The totals previously notified for 2013/2014 and 2014/2015 have been reduced by £29.879m and £43.879m respectively. The revised totals in the settlement are £507.321m for 2013/2014 and £743.221m for 2014/2015.

#### 5.0 REVISED FIGURES FOR DUNDEE CITY COUNCIL

5.1 Within the overall totals shown in paragraph 4.2 above, the revised revenue grant figures for Dundee City Council are as follows:

	<u>2013/2014</u> <u>£m</u>	<u>2014/2015</u> <u>£m</u>
Updated Service Provision	319.234	321.055
2008-2013 Changes	23.776	23.319
Police Specific Grant Removed *	(17.021)	(17.021)
Loan Charges & PPP Schemes Support	21.695	20.989
Main Floor	<u>(1.179)</u>	<u>(1.517)</u>
Total Estimated Expenditure (TEE)	346.505	346.825
Assumed Council Tax Contribution	(45.382)	(45.515)
New 85% Floor	-	-
General Revenue Changes 2013-2015 *	<u>(27.392)</u>	<u>(27.925)</u>
Total Distributable Revenue Support	<u>273.731</u>	<u>273.385</u>
Figure Previously Notified	<u>318.144</u>	<u>318.331</u>
Reduction from Figure Previously Notified *	<u>(44.413)</u>	<u>(44.946)</u>

5.2 The revised figures show significant reductions from the figures previously notified in February 2012, for the reasons outlined in paragraph 4.2 above. A full reconciliation of the City Council's net reduction is shown below.

	<u>2013/2014</u> <u>£m</u>	<u>2014/2015</u> <u>£m</u>
Police - Specific Grant Removed	(17.021)	(17.021)
Police – Other Funding Removed	(16.055)	(16.028)
Fire – Funding Removed	(12.251)	(12.173)
Council Tax Benefit	0.664	tba
Blue Badge	0.021	0.021
Looked After Children	0.053	0.053
Free Personal & Nursing Care	0.052	0.078
Family Support	0.074	0.074
Police & Fire On-Going Costs	<u>0.050</u>	<u>0.050</u>
Net Reduction from Figure Previously Notified	<u>(44.413)</u>	<u>(44.946)</u>

Where necessary, the above changes will be reflected in the City Council's 2013/2014 Provisional Revenue Budget.

5.3 Total Funding comprises three elements: General Revenue Funding (GRF), Non-Domestic Rates (NDR) and the remaining elements of Ring-Fenced Funding. Income from Ring-Fenced Funding will be included in the 2013/2014 Provisional Revenue Budget Volume. Accordingly, it is the GRF and NDR figures only that require to be taken into account when setting the Council Tax level for 2013/2014. The City Council's GRF/NDR total for 2012/2013 is £273.624m.

5.4 The Council's revised General Capital Grant figures have been advised at :

2013/2014 - £11.943m

2014/2015 - £17.491m

The above figures represent reductions of £0.416m and £0.611m from the figures previously notified due to the removal of support for Police capital, which (unlike support for Fire capital) is routed through Councils' General Capital Grant.

In addition, the Council has been awarded Cycling, Walking and Safer Streets specific capital grant of £154,000 in 2013/2014 and £226,000 in 2014/2015. The Vacant and Derelict Land Fund specific capital grant allocations have not yet been finalised by the Scottish Government.

The Council's 2013-2017 Capital Plan will be submitted to the Special Policy and Resources Committee on 14 February 2013. It is proposed that the procedures for agreeing the Council's 2013-2017 Capital Plan should be the same as those for setting the 2013/2014 Revenue Budget and Council Tax, as set out in Section 8 and Appendix 2 of this report.

## **6.0 PROVISIONAL REVENUE BUDGET 2013/2014**

6.1 Over the past few months the Chief Executive and Director of Corporate Services, in conjunction with the other Chief Officers, have been preparing a Provisional Revenue Budget for 2013/2014. This has involved rolling forward the Final 2012/2013 Revenue Budget and adding in provision for anticipated inflationary pressures, including pay awards. Cost pressures and savings that have been identified through the 2012/2013 revenue monitoring process have also been reflected, together with new cost pressures that will emerge in 2013/2014 and transfers of responsibility eg Police and Fire. The consolidation of property-related budgets within the City Development department has also been reflected. A list of cost pressures and savings that have been reflected in the Provisional 2013/2014 Revenue Budget is shown at Appendix 1 to this report. The Provisional 2013/2014 Revenue Budget currently totals £337.6 million. The Provisional 2013/2014 Revenue Budget volume (including Review of Charges) will be issued mid-January 2013.

6.2 Based on current assumptions, the Council would require to identify budget savings totalling £6.5 million in order to achieve a Council Tax freeze in 2013/2014. This is further predicated on the assumption that the Council agrees to the full package of measures related to the Local Government Finance Settlement. It is stressed, however, that officers are still examining the details of the grant settlement and refining the assumptions and figures in the Provisional 2013/2014 Revenue Budget. The financial information included in this report will be updated as necessary and included in the Council Tax proposals to be submitted to the Special Policy & Resources Committee on 14 February 2013.

## **7.0 NON-DOMESTIC RATE INCOME**

7.1 The Non-Domestic Rate income (NDR) collected by Dundee City Council will be paid into an all-Scotland central pool and, as proposed under the Business Rates Incentivisation Scheme, thereafter distributed to individual Councils on the basis of their share of the 2011/2012 mid-year estimates. This arrangement has no effect on the Total Revenue Support (TRS) which each authority will receive, as the TRS is decided first and any NDR income received from the "pool" effectively reduces the level of General Revenue Funding payable to each Council. Dundee City Council will receive £53.951 million from the Non-Domestic Rates Pool in 2013/2014.

7.2 The 2013/2014 Non-Domestic Rate Poundage for Scotland will be set following confirmation of the equivalent rate in England. It is expected that the English rate will be announced shortly and the Scottish rate poundage will be confirmed shortly thereafter. The Council will make provision for non-domestic rates on its own properties within the 2013/2014 Provisional Revenue Budget.

## **8.0 PROCEDURE FOR SETTING REVENUE BUDGET AND COUNCIL TAX 2013/2014**

8.1 The proposed procedure for the setting of the 2013/2014 Revenue Budget and Council Tax is the same as the procedure adopted last year for the setting of the 2012/2013 Revenue Budget and Council Tax.

8.2 The procedure in respect of submitting budget proposals and review of charges proposals to the Chief Executive and Director of Corporate Services for prior approval as to their competence will again apply in setting the 2013/2014 Revenue Budget and Council Tax level. It must be stressed that, for all Departments, budget proposals and review of charges proposals by any Group or individual member must be submitted to the Chief Executive by 5pm on 6 February 2013 in order for their competence and accuracy to be checked. Proposals received after that deadline will not be considered at the Revenue Budget and Council Tax setting meeting on 14 February 2013.

8.3 If there are any further technical adjustments required to the 2013/2014 Provisional Revenue Budget or grant settlement figures then these will be included in the separate report by the Director of Corporate Services which will be issued along with the agenda for the meeting on 14 February 2013. The Director of Corporate Services will also make recommendations in that report regarding the use of balances in the setting of the Council Tax level.

8.4 A timetable showing the procedure for setting the 2013/14 Revenue Budget and Council Tax level on 14 February 2013 is attached at Appendix 2.

## **9.0 POLICY IMPLICATIONS**

9.1 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.

## 10.0 **CONSULTATIONS**

10.1 The Chief Executive and Head of Democratic and Legal Services have been consulted on the content of this report.

## 11.0 **BACKGROUND PAPERS**

11.1 Scottish Government Local Government Finance Circular 11/2011 (8 December 2011)  
Scottish Government Local Government Finance Circular 1/2012 (9 February 2012)  
Scottish Government Local Government Finance Circular 3/2012 (15 March 2012)  
Scottish Government Letter to COSLA (20 September 2012)  
Scottish Government Local Government Finance Circular 5/2012 (27 November 2012)

**MARJORY M STEWART**  
**DIRECTOR OF CORPORATE SERVICES**

**07 JANUARY 2013**

**COST PRESSURES REFLECTED IN PROVISIONAL 2013/2014 REVENUE BUDGET**

Department / Item	£m
Education – PPP Unitary Charges inflation shortfall 2012/13	0.072
Social Work – cost pressures, demographic pressures and contributions to new Change Funds	4.793
Environment – DERL Gate Fees inflation shortfall 2012/13	0.122
City Development: Contribution to City Jet London Flight	0.075
Corporate Services / Finance Revenues – reduction in HB / CBT administration grant	0.246
Corporate – shortfall in funding transfer from UK Government for Council Tax Subsidy	0.600
Various – 1% pay award wef from 1 April 2013	2.074
Various – new monies / transfers included in revised grant settlement	0.864
Various – impact of Living Wage (including increase to £7.50)	0.192
Various – changes to National Insurance Contracted Out Rate	0.138
Various – other various cost pressures and income shortfalls	1.409
	<u>10.585</u>

**SAVINGS REFLECTED IN PROVISIONAL 2013/2014 REVENUE BUDGET**

Department / Item	£m
Education – full year effect of 2012/13 budget savings	(0.163)
Education – reduction in insurance costs for PPP Schools	(0.120)
Social Work – Central Support Services (reductions in various non-staff costs budgets)	(0.020)
City Development – non-filling of vacancies, restructure, VERs	(0.223)
City Development – Business Gateway (contract renegotiated)	(0.113)
City Development – 5% saving on energy and water budgets	(0.170)
City Development – various other savings and efficiencies	(0.101)
Environment – savings and efficiencies in Corporate Fleet	(0.182)
Environment – efficiencies in service delivery in Construction Services	(0.200)
Environment – savings and efficiencies in Support Services budgets	(0.132)
Environment - various other savings and efficiencies	(0.120)
Chief Executive (excluding Communities & Policy) - various savings and efficiencies	(0.125)
Communities & Policy – adjustment to staff slippage target and deletion of various vacant posts	(0.159)
Corporate Services – revised structure for Children’s Panel	(0.160)
Corporate Services – telephony savings	(0.170)
Corporate Services – non-filling / deletion of various vacant posts	(0.247)
Corporate Services – additional income from Statutory Additions	(0.100)
Corporate Services - various other savings and efficiencies	(0.101)
Other Housing – adjustment to internal recharge income and expenditure	(0.132)
Various – full year effect of 2012/13 VERs / VRs	(0.092)
	<u>(2.830)</u>

**PROCEDURE FOR COUNCIL TAX SETTING DAY - 14 FEBRUARY 2013**

**Date and Time**

**Action**

**14 February 2013  
3pm**

**Special Policy and Resources Committee meets.**

The Special Policy and Resources Committee will consider the City Council's 2013/2014 Revenue Budget, as submitted in the Provisional Revenue Budget volume, along with the report by the Director of Corporate Services.

All proposals for Council Tax and review of charges must be tabled at the start of the meeting to be checked for legality and competence. A short recess may be required to enable these to be checked. The senior Councillor with responsibility for Finance will then move the Administration's Council Tax and Review of Charges proposals. Thereafter, the Opposition Groups and Independent Member will move any amendments.

The Committee will then commence the debate and approval of the Final Revenue Budget and Council Tax for 2013/2014.