

City Chambers  
DUNDEE  
DD1 3BY

3rd December, 2013

TO: ALL MEMBERS OF THE POLICY  
AND RESOURCES COMMITTEE

Dear Sir or Madam

**POLICY AND RESOURCES COMMITTEE - 9TH DECEMBER, 2013**

I refer to the agenda issued in respect of the above meeting and would advise you that the undernoted item will also fall to be considered.

Yours faithfully

DAVID K DORWARD

Chief Executive

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

**15 MUSLIM CEMETERY (AN143-2013)**

City Chambers  
DUNDEE  
DD1 3BY

29th November, 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, 9th December, 2013 following the meetings of the City Council, Education, Environment and City Development 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 - PERSONNEL APPEALS SUB-COMMITTEE OF 29TH OCTOBER, 2013**

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

#### **3 SCHEME OF DELEGATION - TRAFFIC REGULATION ORDERS**

(Report No 465-2013 enclosed).

#### **4 DUNDEE COMMUNITY REGENERATION FUND 2013/2014**

(Report No 516-2013 enclosed).

#### **5 ALLOCATION OF COMMUNITY REGENERATION FUNDING**

(Report No 521-2013 enclosed).

**6 REVENUE MONITORING**

(Report No 513-2013 enclosed).

**7 CAPITAL MONITORING**

(Report No 494-2013 enclosed).

**8 TREASURY MANAGEMENT ACTIVITIES 2013/2014 - SIX MONTHS TO 30TH SEPTEMBER, 2013**

(Report No 497-2013 enclosed).

**9 VOLUNTARY EARLY RETIREMENT, PHASED RETIREMENT OR WIND DOWN SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS**

(Report No 517-2013 enclosed).

**10 OPERATING MODEL REDESIGN - DEBT RECOVERY**

(Report No 511-2013 enclosed).

**11 REVIEW OF CONTRACT CAR HIRE SCHEME**

(Report No 496-2013 enclosed).

**12 REVIEW OF RECYCLING CENTRE PROVISION**

(Report No 518-2013 enclosed).

**13 TENDER FOR THE SUPPLY OF INTERNAL AUDIT SERVICES**

(Report No 519-2013 enclosed).

**14 SHORE TERRACE - FORMATION OF MEETING ROOMS AND OFFICES**

(Report No 520-2013 enclosed).

At a MEETING of the **PERSONNEL APPEALS SUB-COMMITTEE** held at Dundee on 29th October, 2013.

Present:-

Bailie Derek SCOTT

COUNCILLORS

Craig MELVILLE

David BOWES

Councillor Craig MELVILLE, Convener, in the Chair.

The minute of meeting of this Committee of 26th September, 2013 was held as read.

Unless marked thus \* all items stand delegated.

## **I DECLARATION OF INTEREST**

There were no declarations of interest.

**The Sub-Committee resolved under Section 50(A)(4) of the Local Government (Scotland) Act 1973 that the press and public be excluded from the meeting for the undernoted item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Act.**

## **II APPEAL AGAINST DISMISSAL**

It was reported that an appeal against dismissal from an employee of the Social Work Department had been submitted.

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

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

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

Craig MELVILLE, Convener.

**REPORT TO: POLICY & RESOURCES COMMITTEE – 9 DECEMBER 2013**  
**REPORT ON: SCHEME OF DELEGATION - TRAFFIC REGULATION ORDER**  
**REPORT BY: DIRECTOR OF CITY DEVELOPMENT**  
**REPORT NO: 465-2013**

## **1 PURPOSE OF REPORT**

- 1.1 This report is to make recommendations concerning the amendment of the Council's Scheme of Delegation in the relation to the management of Permanent Traffic Regulation Orders (TRO's).

## **2 RECOMMENDATION**

- 2.1 It is recommended that:

- i. The Committee adopts the Scheme of Delegation outlined in this report in accordance with the provisions of the Road Traffic Regulation Act 1984 and the Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999.
- ii. The Committee delegates to the Director of City Development, in consultation with the Head of Democratic and Legal Service, authority to execute all functions regarding progressing Permanent Traffic Regulation Orders through the statutory procedure in terms of paragraph 4.11.
- iii. The Head of Democratic and Legal Services be remitted to amend the Council's Scheme of Administration - Delegation of Powers to Officers to give effect to the terms of this report;

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications as a result of this report.

## **4 BACKGROUND**

- 4.1 TROs are the key means of enforcing road regulations and an essential component of traffic management including parking restrictions, one way orders, traffic calming orders, stopping up orders, speed limits as well as weight, height, length and other restrictions.
- 4.2 To implement a new or to vary an existing TRO requires significant consultation and approval from elected members of the City Development Committee as well as external consultees.
- 4.3 Currently there are three stages to progressing the statutory procedure for a TRO.

### **a Consultation Stage**

City Development Committee are asked to authorise the preparation of a TRO. Once this authority is given the draft TRO is consulted through statutory consultees including emergency services, local bus operators and local councillors.

Local groups such as residents, traders and community groups who are likely to be affected by the proposals may also be consulted where appropriate.

Any comments received are considered and thereafter, if deemed necessary, the draft order may be amended.

**b Publication / Advertisement Stage**

Committee is advised of any changes to the draft TRO as a result of the consultation stage and is then asked to authorise the publication of the proposed TRO to the public. The public is then given 21 days to object to the proposed TRO.

**c Making of the Order Stage**

After the period in which objections can be made has expired, it is necessary to seek committee approval before proceeding. If there are no objections outstanding from the publication / advertisement stage then committee is advised of this and asked to authorise the making of the TRO. If there are any objections that cannot be resolved by officers of Dundee City Council then these are brought to the attention of the City Development Committee and the committee is as asked to consider these objections and to thereafter decide whether to authorise the making of the TRO.

- 4.4 With authority from the City Development Committee, the Head of Democratic and Legal Services will then place a Public Notice (currently in a local newspaper) to advise that the TRO has been made and intimating the date upon which the TRO takes effect.
- 4.5 In recent years there has been a significant increase in the volume of TRO reports and of these the vast majority pass through the system with no comments from consultees. The current process introduces significant delay to the progression of urgently needed traffic management measures as each stage highlighted in 4.3 introduces a four to eight week delay (preparation time to have report ready for City Development Committee).
- 4.6 The increased volume of TRO workload has lead to a significant lengthening of implementation performance with commencement of the TRO process to implementation extending to in excess of twelve months. There have also been concerns raised to officers from elected members and members of the public that the complex iterations of reporting and volume of TROs (many with no comments) are resulting in objections not always being fully apparent or fully considered.
- 4.7 To address the concerns of delay and lack of clarity, a streamlining of the TRO process has been investigated to allow non contentious TROs to proceed seamlessly and without referral to the City Development Committee unless objections were raised and maintained.
- 4.8 The statutory requirements of Consultation and Publication and Advertisement must be maintained, however it is proposed to remove the requirement to seek City Development Committee approval to proceed between stages unless objections are raised and maintained. The City Development Committee will still be required to

authorise commencement of the preparation of all TROs which will maintain transparency in what TRO issues are arising.

- 4.9 To maintain accountability and to improve the tracking of the TRO process, a new web page within Dundee City Council's web site will be developed to highlight the various stages of TRO preparation summarised by the eight wards. This will track progress from preparation through to date of implementation on the road network and will be continuously updated by officers. An annual report will also be presented to the City Development Committee detailing the annual breakdown of TRO activity across the City of Dundee.
- 4.10 Where an objection is made and maintained, the City Development Committee will be asked to consider the facts and whether the TRO process should proceed.
- 4.11 Therefore the proposed new TRO process will be;

**a Consultation Stage**

City Development Committee are asked to authorise the preparation of a TRO. Once this authority is given, the draft TRO is consulted through statutory consultees including emergency services, local bus operators and local councillors.

**b Publication / Advertisement Stage**

If there are amendments to be made to the draft TRO as a result of comments received during the consultation stage, then a report will then brought to the City Development Committee and the members will be asked to give permission to proceed to advertise the amended TRO to the public.

If there are no changes required as a result of the consultation stage, then the TRO will then progress to be advertised to the public without further reference to the Committee.

**c Making of the Order Stage**

Any maintained objections that cannot be resolved by officers of Dundee City Council, will then brought to the attention of the City Development Committee and the committee will be asked to consider these objections and to decide whether to make the TRO or not.

If no objections are raised and maintained, then the TRO process will allow officers to make the order without further reference to the Committee.

- 4.12 For all TROs that have reached the stage of Making of the Order, the Head of Democratic and Legal Services will place a Public Notice (currently in a local newspaper) to advise that the TRO has been made and confirming the date upon which the TRO becomes effective.
- 4.13 These proposed changes to the Scheme of Delegation will allow TRO preparation to be reduced to under three months where no objections are raised and to remove unnecessary confusion regarding the process. At the same time the improved on

line reporting systems would provide simplification in tracking of progression of the TRO process.

## **5 POLICY IMPLICATIONS**

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

There are no major issues.

## **6 CONSULTATIONS**

- 6.1 The Chief Executive, the Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

## **7 BACKGROUND PAPERS**

- 7.1 There are no background papers of relevance to this report.

Mike Galloway  
Director of City Development

Neil Gellatly  
Head of Transportation

MPG/NHG/LG

24 October 2013

Dundee City Council  
Dundee House  
Dundee



**REPORT TO: POLICY AND RESOURCES COMMITTEE – 9 DECEMBER 2013**

**REPORT ON: DUNDEE COMMUNITY REGENERATION FUND 2013/14**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 516-2013**

**1. PURPOSE OF REPORT**

1.1 This report confirms the Community Regeneration Fund allocations for 2013/14 and makes recommendations for grants in 2013/14.

**2. RECOMMENDATIONS**

2.1 It is recommended that committee approves the allocations to the Community Regeneration Forum for 2013/14 and funding proposals contained in section 5 of this report.

**3. FINANCIAL IMPLICATIONS**

3.1 This report recommends the allocation of £125,000 to each of the city's Community Regeneration Forums for the year 2013/14. The total budgets available, including approved carry forwards, are set out in para 5.1

3.2 Grants of £47,474 are recommended from the allocations for 2013/14.

**4. BACKGROUND**

4.1 Policy and Resources Committee, 7 December 2009 approved Report No 591-2009 (Article No IV refers) which made 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 The rationale for the allocation of funding to Community Regeneration Forums was approved by Policy and Resources Committee, 22 February 2010, Report No 84-2010, (Article No III refers). Allocations of £125,000 per annum were made to wards which contained datazones identified as within the most disadvantaged 15% in Scotland as defined by the Scottish Index of Multiple Deprivation 2008. These were Coldside, East End, Lochee, Maryfield, North East and Strathmartine. The recent Scottish Index of Multiple Deprivation 2012 confirms that these six wards contain the datazones in Dundee which are the most disadvantaged 15% in Scotland. The West End and The Ferry wards have no datazones in this category.

4.4 The process by which Dundee City Council allocates funding to local projects through community regeneration forums was agreed by Policy and Resources Committee, 20 December 2004, Report No 743-2004 (Article No II refers). The same procedures apply to the Dundee Community Regeneration Fund.

- 4.5 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 2012/13.

Local Forum	Total Allocation	Previously Allocated	Current Proposals	Still Available
Coldside	£125,000	£51,317	£41,673	£32,010
East End	£125,111	£103,860	£0	£21,251
Lochee	£125,000	£73,107	£495	£51,398
Maryfield	£125,000	£89,668	£0	£35,332
North East	£125,000	£86,673	£5,306	£33,021
Strathmartine	£125,011	£92,496	£0	£32,515
<b>Total</b>	<b>£750,122</b>	<b>£497,121</b>	<b>£47,474</b>	<b>£205,527</b>

- 5.2 The proposals contained in Appendix A recommend the allocation from local budgets of £47,474.

## 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.

- 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 2012 Scottish Index of Multiple Deprivation. This funding is intended to tackle a range of inequalities. The targeting of additional resources into areas of deprivation to tackle inequalities are at the heart of the Scottish Government's public service reform agenda. A commitment to 'close the gap' in outcomes is expected of all community planning partnerships in Scotland.

## 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

None.

David K Dorward  
Chief Executive

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02/12/2013

Ref No.	Applicant	Ward	Description of Project	Total Project Costs	Amount Requested	Forum Decision Amount
C1313	Highway Management Group	Coldside	To fund tutor costs for a 7 session, fortnightly programme of jewellery design sessions for the craft group Relax with Crafts – Hilltown. Sessions take place in the MAXwell Centre and there are currently twelve group members.	£506	£506	£506
CP1304	Environment Department	Coldside	To improve the Dens Road children's play area. One existing item of play equipment is to be replaced and additional equipment and benches installed. The whole area is to be resurfaced and improvements made to fencing and signage.	£36,431	£36,431	£36,431
CP1306	On The Whole	Coldside	On The Whole is a project that will provide peer-group support for approximately 40 Looked After and Accommodated Children. Funding will assist in developing a safe, relaxed multifunctional space at 211 Hilltown that meets the needs of young people.	£14,602	£4,736	£4,736
L1320	Lochee Aquafit	Lochee	To subsidise 275 aquafit tickets that will enable approximately 64 local people to participate in these regular exercise classes. <i>Note: Some funds are to be transferred from the Youth Diversionary allocation as insufficient Small Grant funding is available.</i>	£495	£495	£495
NE1321	Link Up Whitfield (SAMH)	North East	To purchase a projector for the Cinema Club which is currently attended by 15-20 local people but aims to attract a wider audience as the group becomes better known.	£ 2,425	£855	£855

<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>
NEP1305	101 Project	North East	To purchase child safety equipment that will benefit 30 children and their families attending the Busy Bees Family Group each week. The group has sourced other funding for play equipment.	£1,762	£1,762	£1,762
NEP1306	City Development	North East	To install eleven bollards near to shops on Fintry Road to prevent problem parking and improve access / safety for local residents.	£2,689	£2,689	£2,689

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 9 DECEMBER 2013**

**REPORT ON: ALLOCATION OF COMMUNITY REGENERATION FUNDING 2014/15**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 521-2013**

## **1. PURPOSE OF REPORT**

This report recommends community regeneration fund allocations for the year 2014/15.

## **2. RECOMMENDATIONS**

### **2.1 It is recommended that:**

- a) £125,000 be allocated to the Community Regeneration Forums for Coldside, Maryfield, North East and Strathmartine
- b) increased allocations of £136,473 and £190,462 be awarded to the East End and Lochee Community Regeneration Forums respectively
- c) that £10,000 be allocated to the Local Community Planning Partnerships for The Ferry and West End

## **3. FINANCIAL IMPLICATIONS**

- 3.1 The cost of the recommendations in this report will be met through the ongoing budget of £750,000 for Community Regeneration Forums and an additional allocation of £96,935 from the Council's Capital Budget in 2014/15.

## **4. BACKGROUND**

### **4.1 The Scottish Index of Multiple Deprivation and National Direction.**

4.1.1 Deprivation across Scotland is measured and reported through the Scottish Index of Multiple Deprivation. It is updated every few years and the most recent report was published in 2012. It measures a number of aspects of inequality including Income, Employment, Health, Education, Housing and Crime to produce an overall score for small areas called datazones. Datazones for the whole of Scotland are then ranked by score in 5% bands. The recognised measure of multiple deprivation is the most disadvantaged 15% of datazones in Scotland.

4.1.2 There are 179 datazones in Dundee and 55 of these are scored and ranked as within the 'worst' 15% in Scotland. However, it is possible to identify varying degrees of deprivation within the 15%. Datazones within the 0-5% category are subject to the most severe levels of deprivation in Scotland and the impact is described by the Improvement Service in Scotland as "exhibiting consistent, interacting and mutually reinforcing negative outcomes across all aspects of life".

4.1.3 The report Making Better Places, Making Places Better then goes on to explain the result of the multiple deprivation in the worst areas.

"The discussion to date has been dry and analytical so what does it mean in terms of peoples lives? What it means is people living in areas where children's achievement in education is less than half the Scottish norm, and 25% of that achieved by children in the least deprived areas. It means people living in areas where 20%+ of the adult population are prescribed drugs for anxiety and depression; where in any year, 3 in every 10 adults will be emergency admitted to hospital and where life expectancy and

healthy life expectancy are more than ten years less than the Scottish average. It means people living in areas where the rate of crime is 4 times the average for Scotland and 8 times the average for the least deprived areas in Scotland. All these negatives in peoples lives in these areas are statistically inter-related but, more importantly, practically interact in the daily lives of these communities creating 'cycles' of deprivation".

4.1.4 In its guidance on Single Outcome Agreements, the Scottish Government also signalled that partnerships must:

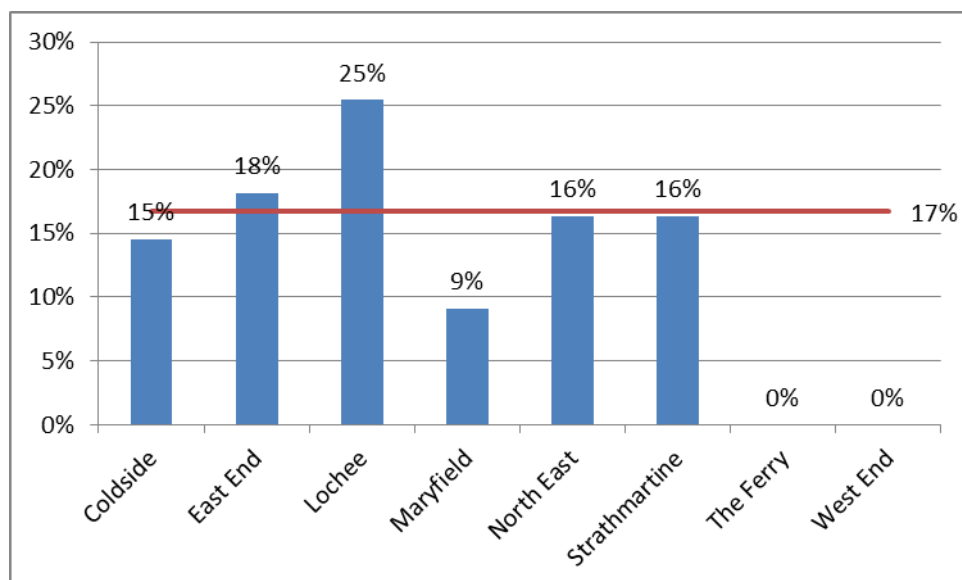
- use an evidence based approach underpinned by disaggregated data, to drive improvement on meeting the differing needs of local populations
- focus upon reducing outcome gaps within populations and between areas – and promote early intervention and preventative approaches in reducing outcome inequalities

#### 4.2 Analysis of Multiple Deprivation in Dundee

4.2.1 Table 1 and Figure 1 below present the number and distribution of datazones in the worst 15% in Scotland by ward.

Ward	Total No of Data Zones	No of Datazones in worst 15%	% of Datazones in worst 15%
Coldside	24	8	14.5
East End	21	10	18.2
Lochee	26	14	25.4
Maryfield	19	5	9.1
North East	21	9	16.4
Strathmartine	24	9	16.4
The Ferry	23	0	0
West End	21	0	0
DZ in 15% MD	179	55	100

**Figure 1: Percentage of Data Zones ranked within the 15% Most Deprived SIMD 2012**



### 4.3 Community Regeneration Funding Allocations

- 4.3.1 Since 2008/09, a total budget of £750,000 has been allocated to Community Regeneration Forums. The current allocation to each of the six Community Regeneration Forums is £125,000 per annum. While this was previously for a two or three year period, the allocation for 2012/13 was for one year only. The £125,000 distributed by each Forum represents 16.7% of the total budget.
- 4.3.2 During the Policy and Resources Committee's debate on the Revenue Budget and Council Tax 2013/14 on 14 February 2013, officers were asked to consider whether a uniform level of funding to all community regeneration forums adequately reflects varying levels of deprivation.
- 4.3.3 The report aims to create an allocation of funding which more closely reflects the different levels of deprivation in wards. However, in the Single Outcome Agreement 2013-17, the Council and its partners made a commitment to respond to the needs of community regeneration areas through the additional targeting of services and resources to close the inequality gap in the city. It is therefore recommended that no Community Regeneration Forum should have funding withdrawn. Instead additional resources will be necessary to ensure that wards with greater levels of deprivation achieve appropriate allocations.
- 4.3.4 Table 2 below sets out the recommended levels of funding for 2014/15 with greater resources allocated to the Lochee and East End wards as a result of the levels of deprivation exceeding the average allocation to Forums.

**Table 2 – Share of Deprivation and Allocation by Ward**

Ward	Current % share of Allocation	% of Datazones in worst 15%	Current Allocation	Proposed Allocation	Change
Coldside	16.7	14.5	125,000	125,000	-
East End	16.7	18.2	125,000	136,473	+11,473
Lochee	16.7	25.4	125,000	190,462	+65,462
Maryfield	16.7	9.1	125,000	125,000	-
North East	16.7	16.4	125,000	125,000	-
Strathmartine	16.7	16.4	125,000	125,000	-

- 4.3.5 While it remains strategically correct to allocate all of the existing community regeneration funding to those areas experiencing the scale, degree and multiple causes of deprivation in the SIMD worst 15%, it is recognised that the impact of fuel poverty, unemployment and benefit reforms, for example, are also currently being felt by individuals and families in The Ferry and West End wards. In recognition of this, it is recommended the Local Community Planning Partnerships for The Ferry and the West End wards receive allocations of £10,000 for 2013/14.
- 4.3.6 Each year, the majority of community regeneration grants are used to fund physical and environmental improvements to neighbourhoods. Therefore the additional £96,935 required to fund the recommendations set out in paras 4.3.3 and 4.3.4 will be met from Council's capital budgets for 2014/15.

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.

An Equality Impact Assessment is attached.

6. **CONSULTATIONS**

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

7. **BACKGROUND PAPERS**

None.

David K Dorward  
Chief Executive .....

02/12/2013



# DUNDEE CITY COUNCIL

## Equality and Diversity Rapid Impact Assessment

### Part 1

Date 9 December 2013	<b>Title</b> Community Regeneration Fund
Is this a new document? <input type="checkbox"/>	Is this an existing document under review? <input checked="" type="checkbox"/>
Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	Single Outcome Agreement and Delivery Plan for Dundee 2009-12
What is the description of the policy, procedure or strategy?	A dedicated fund to tackle poverty and deprivation in community regeneration areas in Dundee
What is the intended outcome of this policy, procedure or strategy?	To fund, physical, environmental, youth work and community group activity which will 'close the gap' between community regeneration areas and the rest of the city
Which individuals are responsible for undertaking Equality and Diversity Impact Assessment?	Peter Allan, Community Planning Manager

### Part 2

**Which groups of the population will be positively or negatively affected by this policy, procedure or strategy?**

	Positively	Negatively	No Impact	Not Known
<b>Ethnic Minority Communities including Gypsies and Travellers</b>				√
<b>Gender including transgender people</b>				√
<b>Religion or Belief</b>				√
<b>People with a disability</b>	√			
<b>Age</b>	√			
<b>Lesbian, Gay and Bisexual</b>				√
<b>Socio-economic</b>	√			
<b>Other (please state)</b>				

## Part 3

## Equality and Diversity Rapid Impact Assessment

<p><b>a) Have any positive impacts been identified?</b></p> <p><i>We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another.</i></p>	<p>If yes please give further details</p> <p>The fund is targeted at improving services, opportunities and the physical environment for people in the areas defined by the SIMD, 15% for deprivation. The greatest impact is therefore in relation to socio-economic factors but this often overlaps with others</p>
<p><b>b) Have any negative impacts been identified?</b></p> <p><i>Based on direct knowledge, published research, community involvement, customer feedback etc</i></p> <p><i>If unsure seek advice.</i></p>	<p>If yes please give further details</p> <p>None. No funding is being removed or transferred from other groups</p>
<p><b>c) What action is proposed to overcome any negative impacts?</b></p> <p><i>If you identify a negative impact that cannot be eliminated by amending or replacing the policy it would then be necessary to seek legal advice.</i></p>	<p>Please give details</p> <p>None identified as required.</p>
<p><b>d) Consultation or involvement which has informed this assessment.</b></p>	<p>Please give details</p> <p>Ongoing liaison with community regeneration forums and financial inclusion partners</p>
<p><b>e) Is there a need to collect further evidence?</b></p>	<p>If yes please give further details including how you gather further evidence.</p> <p>None</p>
<p><b>f) How will the policy be monitored ?</b></p>	<p>Please give details</p> <p>The range of groups impacted positively will be assessed on a monthly basis by the Dundee Partnership Team and any equality issues will be reported to the Building Stronger Communities Theme Group</p>

**Part 4****Department**

<b>Corporate Planning/Community Planning Team</b>

**Type of Document**

<b>Human Resource Policy</b>	<input type="checkbox"/>
<b>General Policy</b>	<input type="checkbox"/>
<b>Strategy/Service</b>	<input type="checkbox"/>
<b>Change Papers/Local Procedure</b>	<input type="checkbox"/>
<b>Guidelines and Protocols</b>	<input type="checkbox"/>
<b>Other Grant Allocation Report</b>	<input checked="" type="checkbox"/>

**Contact Information**

<b>Manager Responsible</b>	<b>Author Responsible</b>
Name Peter Allan	Name Peter Allan
Designation Community Planning Manager	Designation Community Planning Manager
Base 21 City Square, Dundee	Base 21 City Square
Telephone Ext 4465	Telephone Ext 4465
Email <a href="mailto:peter.allan@dundeecity.gov.uk">peter.allan@dundeecity.gov.uk</a>	Email <a href="mailto:peter.allan@dundeecity.gov.uk">peter.allan@dundeecity.gov.uk</a>

**Signature of author of the policy, procedure or strategy: Peter Allan**

**Head of Department and Service area: David K Dorward**

**Date of next review: 30 November 2014**

**REPORT TO: POLICY & RESOURCES COMMITTEE – 9 DECEMBER 2013**

**REPORT ON: REVENUE MONITORING 2013/2014**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 513-2013**

## **1 PURPOSE OF REPORT**

- 1.1 To provide Elected Members with an analysis of the 2013/2014 Projected Revenue Outturn as at 31 October 2013 monitored against the adjusted 2013/2014 Revenue Budget.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that Elected Members:
- a note that the overall General Fund 2013/2014 Projected Revenue Outturn as at 31 October 2013 is projecting an overspend of £50,000 against the adjusted 2013/2014 Revenue Budget.
  - b note that the Housing Revenue Account as at 31 October 2013 is projecting a breakeven position against the adjusted HRA 2013/2014 Revenue Budget
  - c agree that the Director of Corporate Services will take every reasonable action to ensure that the 2013/2014 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 2013/2014 Projected Revenue Outturn.

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

- 3.1 The overall projected 2013/2014 General Fund Revenue outturn position for the City Council is projecting an overspend of £50,000 based on the financial information available at 31 October 2013. A system of perpetual detailed monitoring will continue to take place up to 31 March 2014 with the objective of the Council achieving a final outturn which is below or in line with the adjusted 2013/2014 Revenue Budget.
- 3.2 The Housing Revenue Account outturn position for 2013/2014 is currently projecting a breakeven position based on the financial information available for the period to 31 October 2013. A system of perpetual detailed monitoring will continue to take place up to 31 March 2014 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2013/2014 HRA Revenue Budget.

## **4 BACKGROUND**

- 4.1 Following approval of the Council's 2013/2014 Revenue Budget by the Special Policy and Resources Committee on 14 February 2013 this report is now submitted in order to monitor the 2013/2014 Projected Revenue Outturn position as at 31 October 2013, against the adjusted 2013/2014 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 2013/2014 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 77-2013, approved by Special Policy & Resources Committee on 14 February 2013, 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 2013/2014 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 31 OCTOBER 2013

6.1 The forecast position as at 31 October 2013 for General Fund services is summarised below:

	<u>Adjusted Budget 2013/14 £000</u>	<u>Forecast 2013/14 £000</u>	<u>Variance £000</u>
Total Expenditure	334,031	334,081	50
Total Income	<u>(334,031)</u>	<u>(334,031)</u>	-
Forecast Overspend	-	50	<u>50</u>

The forecast position as at 31 October 2013 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 carry forward of various unspent budgets from last year (£2.219m) and new monies allocated from the Scottish Government for the Council Tax Reduction Scheme (£9.469m). 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 seven months of the financial year to 31 October 2013. 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 Whilst a number of departments below are projecting a breakeven position as at 31 October 2013, a number of cost pressures are emerging relating to various services. These overspends are anticipated to be offset by various underspends and additional income streams although these departments will continue to monitor this position closely.

6.4 City Development (£200,000 overspend)

The department are projecting a significant shortfall in external rental income due to the number of commercial properties that are currently vacant. In addition, income from car parking charges is expected to be less than budgeted level reflecting the current usage of off street car parking facilities. These adverse variances are partly offset by projected savings in third party payments mainly due to changes to contracts for registered bus services and savings in staff costs due to the current level of slippage within the department.

6.5 Environment (£150,000 overspend)

Whilst the level of income in certain areas is forecasted to increase this year, the department continue to project a significant shortfall in the overall level of chargeable income budgeted to be received from trade refuse and refuse collection activities. This variance will be partly offset by anticipated underspend on ash landfill contract during the temporary closure of the DERL facility. The department are also projecting additional transport costs following the recent review of recycling centre operations although these will be offset by funding from the Council's General Contingency.

6.6 Education (£nil)

The department are projecting overspends in cleaning and catering contracts due to the impact of the implementation of the living wage. Other property costs including non-domestic rates are also expected to be greater than budgeted although these adverse variances will be offset by additional non-recurring income.

6.7 Social Work (£nil)

Within Children's Services, payments for family placements have risen due to the increased number of children requiring to be looked after and accommodated by the service. In addition, third party payments have increased reflecting the current demand for respite care for Older People. These variances are expected to be offset by various additional income streams projected to be received by the department.

6.8 Capital Financing Costs (£300,000 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 the 2013/14 capital programme.

## 7 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 31 OCTOBER 2013

7.1 The forecast position as at 31 October 2013 for the HRA is summarised below:

	<u>Adjusted</u> <u>Budget</u> <u>2013/14</u> <u>£000</u>	<u>Forecast</u> <u>2013/14</u> <u>£000</u>	<u>Variance</u> <u>£000</u>
Total Expenditure	54,250	53,800	(450)
Total Income	<u>(54,250)</u>	<u>(53,800)</u>	<u>450</u>
Forecast Position	— -	— -	— -

7.2 Expenditure on relets and repairs is projected to be greater than budgeted due to increased level of work being carried out. In addition, a shortfall in rental income is anticipated due to a slight increase in void properties together with an increase in bad debt provision reflecting the increase in arrears caused by the non-payment of under occupancy rule charges. These adverse variances are projected to be offset by lower than anticipated capital financing costs (please refer to Appendix B for further details).

7.3 The overall impact is a breakeven position against the adjusted HRA 2013/2014 Revenue Budget. A system of perpetual detailed monitoring will continue to take place up to 31 March 2014 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2013/2014 HRA Revenue Budget.

## 8 POLICY IMPLICATIONS

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

There are no major issues.

## 9 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.

## 10 BACKGROUND PAPERS

None.

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

**29 NOVEMBER 2013**



**DUNDEE CITY COUNCIL**  
**2013/2014 REVENUE OUTTURN MONITORING**  
**PERIOD 1 APRIL 2013 - 31 OCTOBER 2013**

**Appendix A**

Statement analysing 2013/2014 Projected Revenue Outturn to Budget (Capital Charges, Central Support, Central Buildings & Corporate Property Recharges have been excluded from Departments as these costs are outwith their control).

	Approved Budget £000	Budget Adjustments 01 April to 30 Sep £000	Budget Adjustments 01 Oct to 31 Oct £000	Total Budget Adjustments (see Appx C) £000	Adjusted Budget £000	Forecast £000	Worse Than Budget £000	Better Than Budget £000	Net Variance (see Appx B) £000	Notes	Previous Months Projected Variance £000	Movement since Previous Month £000
<b>General Fund Departments</b>												
City Development	22,367	471	113	584	22,951	23,151	200		200	1	200	
Environment	18,903	(55)	33	(22)	18,881	19,031	150		150	2		150
Education	117,567	1,267	151	1,418	118,985	118,985				3		
Social Work	93,085	407	436	843	93,928	93,928				4		
Corporate Services	17,015	71	384	455	17,470	17,470						
Other Housing	2,933				2,933	2,933						
Supporting People	11,844				11,844	11,844						
Welfare Fund	1,512				1,512	1,512						
Chief Executive	20,997	(13)	(864)	(877)	20,120	20,120						
	306,223	2,148	253	2,401	308,624	308,974	350	0	350		200	150
Miscellaneous Income	(2,709)	100		100	(2,609)	(2,609)						
Capital Financing Costs /												
Interest on Revenue Balances	24,987	285		285	25,272	24,972		(300)	(300)	5	(200)	(100)
Contingencies:												
- General	628	(80)	(143)	(223)	405	405						
- Energy Costs	231	(130)		(130)	101	101						
- Other	1,264	(1,264)		(1,264)	0	0						
- Unallocated Corporate Savings:												
Prudential Borrowing (Electric Vehicles)	(37)				(37)	(37)						
CFTF - Admin / Clerical Review	(400)				(400)	(400)						
VER / VR Schemes	(290)	(37)	(71)	(108)	(398)	(398)						
CFTF - Procurement	(250)				(250)	(250)						
CFTF - Review of Transportation	(100)				(100)	(100)						
Discretionary NDR Relief	147				147	147						
Supplementary Superannuation Costs	2,323				2,323	2,323						
Tayside Valuation Joint Board	953				953	953						
	332,970	1,022	39	1,061	334,031	334,081	350	(300)	50		0	50
<b>Sources of Income</b>												
General Revenue Funding	(221,185)	(9,469)		(9,469)	(230,654)	(230,654)						
Contribution from NNDR Pool	(53,951)				(53,951)	(53,951)						
Council Tax	(57,834)	10,733		10,733	(47,101)	(47,101)						
Use of Balances -												
Committed Balances c/f		(2,219)		(2,219)	(2,219)	(2,219)						
Renewal & Repair Fund		(67)	(4)	(71)	(71)	(71)						
VER/VR Scheme 3					0	0						
Other Balances			(35)	(35)	(35)	(35)						
	0	0	0	0	0	50	350	(300)	50		0	50
<b>(Surplus)/Deficit for the year</b>	=====	=====	=====	=====	=====	=====	=====	=====	=====		=====	=====
<b>Housing Revenue Account</b>	=====	=====	=====	=====	=====	=====	=====	=====	=====	6	=====	=====

**REASONS FOR 2013/2014 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**  
**AT 31 OCTOBER 2013**

<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>
<b>City Development</b>	1	200	200	Transportation	Staff Costs	(337)	(150)	Reflects current level of unfilled vacancies.
					Third Party Payments	(152)	(278)	Reflects lower than anticipated expenditure following changes to contracts for registered bus and other services.
				Off Street Car Parks	Income	348	356	Reflects shortfall in level of budgeted income for car parking charges.
				Mainstream	Third Party Payments	(290)	(169)	Reflects lower than anticipated expenditure to various external organisations.
					Income	171	0	Reflects projected shortfall in grant income receivable.
				Property Valuation	Income	477	478	Reflects projected shortfall in external rental income due to the number of properties that are currently vacant.
<b>Environment</b>	2	150	Nil	Environmental Protection	Supplies & Services	(167)	(167)	Reflects lower than anticipated expenditure on various budget heads including equipment, materials and other supplies and services.
					Third Party Payments	(237)	(502)	Reflects anticipated underspend on ash landfill contract during temporary closure of DERL facility.
					Income	635	635	Mainly reflects shortfall in level of budgeted income from trade refuse and refuse collection services. In addition, income from sales of scrap metals, glass, paper and other recyclable materials is expected to be lower than budgeted level.
				Environmental Management	Income	(78)	0	Mainly reflects greater than budgeted income from fees and charges.
<b>Education</b>	3	Nil	Nil	Departmental	Property	320	270	Reflects projected overspend on non-domestic rates across all sectors.
						236	236	Reflects increased costs for cleaning contracts across all sectors following implementation of living wage.
					Supplies & Services	164	164	Reflects increased costs for catering contracts across all sectors following implementation of living wage.
					Income	(320)	(270)	Anticipated refund from non-domestic rates revaluation appeals.
						(372)	(372)	Reflects anticipated rebate projected to be received from Tayside Contracts.

**REASONS FOR 2013/2014 CONTROLLABLE PROJECTED REVENUE OUTTURN VARIANCES**  
**(Excludes Capital Charges, Central Support Services & Office Recharges)**  
**AT 31 OCTOBER 2013**

<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>	4	Nil	Nil	Departmental	Income	(306)	(225)	Reflects repayment of underspends on externally purchased services from social care providers.
					Transport	(50)	0	Reflects reduced expenditure on car allowances, travel & subsistence and transport hire costs.
				Children & Families	Third Party Payments	(480)	(361)	Reflects the reduction in number of residential and secure care placements currently being made.
					Third Party Payments	81	147	Increase in number of children requiring to be looked after and accommodated by family placement service.
				Older People	Third Party Payments	569	258	Mainly due to increased costs and demand of Older People and Free Personal Care placements.
					Third Party Payments	215	128	Reflects increased demand for respite care for older people.
					Income	(260)	0	Mainly due to additional contributions from clients towards their residential accommodation in local authority homes.
				Adults	Third Party Payments	153	53	Reflects increased demand for respite care for adults.
					Third Party Payments	45	0	Reflects continuous significant pressures around Adult Care.
<u>Capital Financing Costs</u>	5	(300)	(200)	Corporate	Capital Financing Costs/IORB	(300)	(200)	Reflects projected saving on capital financing costs due to lower than anticipated interest rates together with slippage on expenditure in 2013/14 capital programme.
<u>Housing Revenue Account</u>	6	Nil	Nil	Repairs & Relets		263	458	Mainly reflects the level of responsive repairs that are currently being required.
				Administration		(244)	(219)	Reflects various savings projected from staff costs, telephones and training.
				Rent of Houses		(371)	(184)	Reflects additional income from house rents and new land agreements.
				Void Rent Loss / Bad Debts		821	414	Reflects greater number of void properties along with an increase in bad debt provision reflecting the increase in arrears due to non-payment of Under Occupancy Charge.
				Capital Financing Costs		(469)	(469)	Reflects projected savings on capital financing costs due to actual level of borrowing required being less than expected.

**Appendix C**

	<u>Alloc</u> <u>From</u> <u>Conts</u> <u>£000</u>	<u>2012/13</u> <u>Under</u> <u>spends</u> <u>b/fwd</u> <u>£000</u>	<u>Funding</u> <u>T/Fs</u> <u>£000</u>	<u>Alloc</u> <u>from</u> <u>R&amp;R</u> <u>Fund</u> <u>£000</u>	<u>Alloc</u> <u>from</u> <u>Other</u> <u>Bals</u> <u>£000</u>	<u>T/Fs</u> <u>Between</u> <u>Depts</u> <u>£000</u>	<u>Council</u> <u>Tax</u> <u>Reduction</u> <u>Scheme</u> <u>£000</u>	<u>Vol Early</u> <u>Retiral/</u> <u>Redund</u> <u>Schemes</u> <u>£000</u>	<u>Dept</u> <u>Totals</u> <u>£000</u>
<b><u>General Fund Departments</u></b>									
<u>Education</u>									
1. DSM Balances		1,258							
2. Net t/fs Staff costs from General Fund								70	
3. Removal of Instrumental Tuition Fees	55								
4. Autism Strategy					35				
									1,418
<u>Social Work</u>									
1. Scottish Welfare Fund set up costs		59							
2. Community Equipment Service		47							
3. Dundee Violence Against Women Partnership		54							
4. Integrated Children's Services		13							
5. Older People Change Fund		225							
6. Implementation of Self-Directed Support		9							
7. T/f Dundee Partnership projects from Chief Exec						468			
8. T/f Communications Officer to Chief Exec						(32)			
									843
<u>City Development</u>									
1. Flood Coastal Protection		99							
2. Architects Fees		325							
3. T/f of Property Factoring costs for Dundee Ice Arena						28			
4. Dundee Ice Arena Health & Safety Costs				40					
5. Various repairs & improvements				7					
6. T/f of Capital Financing Costs to General Fund						(78)			
7. T/f of Property Repairs & Maintenance						(100)			
8. CCTV / Security Consultant				20					
9. Electricity costs - City Square Complex	130								
10. T/f Capital Projects Team						135			
11. T/f Admin & Clerical staff to Corporate Admin Hub						(22)			
									584
<u>Environment</u>									
1. T/f of Capital Financing Costs to General Fund						(207)			
2. Review of Recycling Centre Operations	52								
3. T/f of Property Repairs & Maintenance						100			
4. Net t/fs Staff costs from General Fund								20	
5. Shortfall in inflation uplift for DERL gate fees	13								
									(22)
<u>Chief Executive</u>									
1. UK City of Culture Bid		15							
2. T/f of Property Factoring costs for Dundee Ice Arena						(28)			
3. Regional Performance Centre	75								
4. Various repairs & improvements				4					
5. T/f Capital Projects Team						(135)			
6. T/f Admin & Clerical staff to Corporate Admin Hub						(394)			
7. T/f Best Value & Performance Review from Corporate Services						22			
8. T/f Dundee Partnership projects to Social Work						(468)			
9. T/f Communications Officer from Social Work						32			
									(877)
<u>Corporate Services</u>									
1. Net t/fs Staff costs from General Fund								18	
2. Scientific Services - temporary posts	28								
3. Discretionary Housing Payments		70							
4. Welfare Reform		45							
5. T/f share of additional funding for Police & Fire	(100)								
6. T/f Admin & Clerical staff from Chief Executive						394			
7. T/f Best Value & Performance Review to Chief Executive						(22)			
8. T/f Admin & Clerical staff from City Development						22			
									455
<u>Energy Costs Contingency</u>									
1. T/f to City Development	(130)								
									(130)
<u>General Contingency</u>									
1. T/f to Corporate Services (Scientific Services)	(28)								
2. T/fs to Environment	(65)								
3. T/f to Chief Executive	(75)								
4. T/f to Education	(55)								
									(223)

**Appendix C**

	<u>Alloc</u> <u>From</u> <u>Conts</u> <u>£000</u>	<u>2012/13</u> <u>Under</u> <u>spends</u> <u>b/fwd</u> <u>£000</u>	<u>Funding</u> <u>T/Fs</u> <u>£000</u>	<u>Alloc</u> <u>from</u> <u>R&amp;R</u> <u>Fund</u> <u>£000</u>	<u>Alloc</u> <u>from</u> <u>Other</u> <u>Bals</u> <u>£000</u>	<u>T/Fs</u> <u>Between</u> <u>Depts</u> <u>£000</u>	<u>Council</u> <u>Tax</u> <u>Reduction</u> <u>Scheme</u> <u>£000</u>	<u>Vol Early</u> <u>Retiral/</u> <u>Redund</u> <u>Schemes</u> <u>£000</u>	<u>Dept</u> <u>Totals</u> <u>£000</u>
<b>General Fund Departments</b>									
<u>Other Contingency</u>									
1. Council Tax Reduction Scheme		(1,264)							(1,264)
<u>Capital Financing Costs / IORB</u>									
1. T/f of Capital Financing Costs from various departments						285			285
<u>Miscellaneous Income</u>									
1. T/f share of additional funding for Police & Fire	100								100
<u>Corporate Savings Contingency: VER / VR Scheme</u>									
1. Net t/fs to various departments								(108)	(108)
<u>Council Tax Income</u>									
1. Council Tax Reduction Scheme	1,264		9,469				(10,733)		0
<b>Total Adjustments (General Fund)</b>	0	2,219	9,469	71	35	0	(10,733)	0	1,061

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>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>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.
<u>Welfare Reform</u> The changes introduced as part of the welfare reform exercise may increase the risk that budgeted income collection levels are not achieved and that current non-collection provision levels are inadequate.	Low/ Med	Low/ Med	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. Budget also introduced for discretionary housing payments to assist those affected by these changes.

**REPORT TO: POLICY & RESOURCES COMMITTEE – 9 DECEMBER 2013**

**REPORT ON: CAPITAL EXPENDITURE MONITORING 2013/14**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 494-2013**

**1 PURPOSE OF REPORT**

1.1 To appraise Elected Members of the latest position regarding the Council's Capital Expenditure programme for 2013/14.

**2 RECOMMENDATION**

2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Expenditure programme for 2013/14.

**3 FINANCIAL IMPLICATIONS**

3.1 This report shows the latest projections on capital projects along with actual spend to 31 October 2013.

	<b>General Services Capital 2013/14 £000</b>	<b>Housing HRA Capital 2013/14 £000</b>
Approved Budget	53,534	20,239
Budget Adjustments	<u>3,539</u>	—
Revised Budget	<u>57,073</u>	<u>20,239</u>
Projected Outturn	<u>57,126</u>	<u>21,002</u>
Variance over/(under) Budget	<u>53</u>	<u>763</u>
Actual Spend to 31 October 2013	<u>31,200</u>	<u>10,022</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 31 October 2013 were 55% and 48% respectively, compared with 41% and 37% respectively for the comparable period to 31 October 2012.

**4 BACKGROUND**

4.1 The Special Policy & Resources Committee of 14 February 2013 approved the 2013/14 Capital Budget for General Services (Report 57-2013). The Capital Plan 2013-2017 is split into the key areas of asset ownership (excluding Council Housing which is dealt with in Housing HRA Capital Plan 2013-2018) and projects included in the Capital Plan 2013-17 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 2013/14 was approved at the Policy & Resources Committee on 28 January 2013 (Report 28-2013). 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 2013/14 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 Revised Budget for 2013/14 of £57.073m, a decrease of £3.564m since last months Capital Monitoring report. The main reasons for this are detailed below.

5.1.1 Reduction in expenditure in 2013/14 of £1.180m on Coastal Protection Works (Roads Infrastructure). These works have been delayed due to a SEPA investigation into sea levels in the River Tay. This expenditure will be required in 2014/15 and will be funded from borrowing.

5.1.2 Reduction in expenditure in 2013/14 of £1.5m on National Housing Trust Phases 1 & 2 (Buildings & Property – City Development). The reduction in expenditure is due to delays in progressing the works at East Links Place, Broughty Ferry and Wallace Craigie. This expenditure will be required in 2014/15 and will be funded from borrowing.

5.1.3 Reduction in expenditure in 2013/14 of £197,000 on Roof Replacements (Building & Property – Leisure & Culture). This budget has been transferred into 14/15 to reflect when the project will be progressed. This expenditure will be required in 2014/15 and will be funded from borrowing.

5.1.4 Reduction in expenditure in 2013/14 of £191,000 on DCA (Buildings & Property – Corporate Services). The expenditure has been rephased to reflect the latest timescale for the programme of works. The expenditure will be required in future years 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	10,808	(711)	10,097	10,097	-
Capital Receipts/Capital Fund	1,600	(400)	1,200	1,200	-
 Borrowing	<u>41,126</u>	<u>4,650</u>	<u>45,776</u>	<u>45,829</u>	<u>53</u>
	<u>53,534</u>	<u>3,539</u>	<u>57,073</u>	<u>57,126</u>	<u>53</u>

5.2.2 The revised budget for Capital Receipts/Capital Fund is £1.2m, a decrease of £400,000 since last months Capital Monitoring report, due to a revision is projected receipts for this year.

5.2.3 The revised budget for Borrowing is £45.776m, a decrease of £3.164m since last months Capital Monitoring report, is due to the reasons above (5.1.1 to 5.1.4 and 5.2.2).



- 5.3 The table below shows the effect of 2013/14 adjustments on future years and how these adjustments are financed.

	<b>2013/14</b> <b>£000</b>	<b>2014/15</b> <b>£000</b>	<b>2015/16</b> <b>£000</b>	<b>2016/17</b> <b>£000</b>
Adjustments Per Monitoring (per Appendix 3)	<u>3,539</u>	<u>4,806</u>	<u>50</u>	<u>(115)</u>
Financed By:-				
General Capital Grant	(711)	-	-	-
Capital Receipts/Capital Fund	(400)	-	-	-
Borrowing	<u>4,650</u>	<u>4,806</u>	<u>50</u>	<u>(115)</u>
	<u>3,539</u>	<u>4,806</u>	<u>50</u>	<u>(115)</u>

- 5.4 Projected capital expenditure as a percentage of projected capital resources is currently standing at 100%.

## 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 £21.002m, an increase in projected expenditure of £387,000 since last month's capital monitoring report. The main reason for this is detailed below.

- 6.1.1 Energy Efficiency – External Insulation and Cavity Fill – St Mary's 6th has increased by £40,000. The increase is due to the cost of asbestos removal.
- 6.1.2 Energy Efficiency – External Insulation and Cavity Fill – Dallfield MSD. British Gas have invoiced the project for £200,000 being the balance of their agreed tender price.
- 6.1.3 Heating, Kitchens and Bathrooms – New Contracts – Wester Clepington & Small's Wynd has increased by £39,000 due to the inclusion of additional properties.
- 6.1.4 Heating, Kitchens and Bathrooms – New Contracts – Individual Houses has increased by £100,000 due to the anticipated addition of more properties.
- 6.2 The latest capital monitoring shows projected capital resources of £17.022m, a decrease in resources of £705,000 since the capital budget was approved. This is due to a decrease in the anticipated receipts from Council House Sales.
- 6.3 Projected capital expenditure as a percentage of projected capital resources is currently standing at 123%. This variance between expenditure and resources will be met by additional borrowings and slippage 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 2013/14. 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 2013/14 and 2014/15 has been announced. The officers are of the view that the projected capital grant assumed within the Capital Plan for 2015/16 and 2016/17 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.

## 8 **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

	<u>Approved</u> <u>Capital</u> <u>Budget</u> <u>2013/14</u> <u>£000</u>	<u>Carry</u> <u>Forward</u> <u>from</u> <u>2012/13</u> <u>£000</u>	<u>Budget</u> <u>Adjust</u> <u>£000</u>	<u>Carryforward</u> <u>into</u> <u>Future Years</u> <u>£000</u>	<u>Virements</u> <u>£000</u>	<u>Total</u> <u>Budget</u> <u>Adjustments</u> <u>£000</u>	<u>Revised</u> <u>Capital</u> <u>Budget</u> <u>2013/14</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>30 Sep 2013</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>31 Oct 2013</u> <u>£000</u>	<u>Projected</u> <u>Outturn</u> <u>2013/14</u> <u>£000</u>	<u>Variance</u> <u>£000</u>	<u>Spend as</u> <u>a % of</u> <u>Projected</u> <u>Outturn</u>
<b>GENERAL SERVICES</b>												
<b><u>Capital Expenditure 2013/14</u></b>												
<b>Buildings &amp; Property:-</b>												
Education	8,713	1,195	50	115	224	1,584	10,297	3,996	4,537	10,297	0	44%
Social Work	2,729	687		(1,542)	9	(846)	1,883	1,198	1,264	1,883	0	67%
City Development	23,339	2,033	(303)	(1,500)	(1,582)	(1,352)	21,987	14,858	16,532	21,987	0	75%
Leisure & Culture	1,237	1,368	2,245	(322)	(38)	3,253	4,490	2,982	3,098	4,490	0	69%
Environment	1,190	204			(913)	(709)	481	193	197	481	0	41%
Chief Executive Corporate Services	2,626	256		(387)	(102)	(233)	2,393	790	963	2,393	0	40%
<b>Open Space</b>	1,689	182		(175)	5	12	1,701	303	348	1,754	53	20%
<b>Roads Infrastructure</b>	9,031	403		(1,180)	2,397	1,620	10,651	2,500	2,909	10,651	0	27%
<b>Vehicle Fleet</b>	1,210	198				198	1,408	406	555	1,408	0	39%
<b>Information &amp; Communications Technology</b>	1,770	12				12	1,782	655	797	1,782	0	45%
<b>Capital Expenditure 2013/14</b>	<b>53,534</b>	<b>6,538</b>	<b>1,992</b>	<b>(4,991)</b>	<b>0</b>	<b>3,539</b>	<b>57,073</b>	<b>27,881</b>	<b>31,200</b>	<b>57,126</b>	<b>53</b>	<b>55%</b>
<b><u>Capital Resources 2013/14</u></b>												
<b>Expenditure Funded from Borrowing</b>	41,126	6,538	3,103	(4,991)		4,650	45,776	23,453	25,756	45,829		
<b>Capital Grants</b>	10,808		(711)			(711)	10,097	4,422	5,413	10,097		
<b>Capital Receipts:-</b>												
Net Asset Sales/ Capital Fund Contribution	1,600		(400)			(400)	1,200	6	31	1,200		
<b>Capital Resources 2013/14</b>	<b>53,534</b>	<b>6,538</b>	<b>1,992</b>	<b>(4,991)</b>	<b>0</b>	<b>3,539</b>	<b>57,073</b>	<b>27,881</b>	<b>31,200</b>	<b>57,126</b>		
<b>Capital Expenditure as % of Capital Resources</b>	<b>100%</b>						<b>100%</b>			<b>100%</b>		

	<u>Approved</u> <u>Capital</u> <u>Budget</u> <u>2013/14</u> <u>£000</u>	<u>Carry</u> <u>Forward</u> <u>from</u> <u>2012/13</u> <u>£000</u>	<u>Budget</u> <u>Adjust</u> <u>£000</u>	<u>Carryforward</u> <u>into</u> <u>Future Years</u> <u>£000</u>	<u>Virements</u> <u>£000</u>	<u>Total</u> <u>Budget</u> <u>Adjustments</u> <u>£000</u>	<u>Revised</u> <u>Capital</u> <u>Budget</u> <u>2013/14</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>30 Sep 2013</u> <u>£000</u>	<u>Actual</u> <u>Spend</u> <u>31 Oct 2013</u> <u>£000</u>	<u>Projected</u> <u>Outturn</u> <u>2013/14</u> <u>£000</u>	<u>Variance</u> <u>£000</u>	<u>Spend as</u> <u>a % of</u> <u>Projected</u> <u>Outturn</u>
<b>HOUSING HRA</b>												
<b>Capital Expenditure 2013/14</b>												
Free from Serious Disrepair - Roofs	100					0	100	148	168	257	157	65%
Free from Serious Disrepair - Roughcast	510					0	510	259	312	584	74	53%
Free from Serious Disrepair - Windows	50					0	50	17	17	27	(23)	63%
Energy Efficiency - External Insulation and Cavity Fill	5,530					0	5,530	671	892	4,752	(778)	19%
Energy Efficiency - Heating, Kitchens and Bathrooms	8,829					0	8,829	4,461	5,128	9,486	657	54%
Energy Efficiency - Boiler replacement	50					0	50	103	112	200	150	56%
Energy Efficiency - Renewables Initiatives												
Modern Facilities & Services - Individual Shower Programme	50					0	50	13	13	15	(35)	87%
Healthy, Safe & Secure - Fire Detection												
Healthy, Safe & Secure - Door Entry System & Secure Doors	2,381					0	2,381	1,089	1,484	2,381	0	62%
Healthy, Safe & Secure - Security and Stair Lighting	50					0	50	0	0	10	(40)	0%
Miscellaneous - Fees	10					0	10	100	103	224	214	46%
Miscellaneous - Disabled Adaptations	750					0	750	317	435	750	0	58%
Major Adaptations												
Paths & Footpaths for SHQS	20					0	20	0	0	0	(20)	
Buttars Place Improvements												
Increase Supply of Council Housing	413					0	413	357	357	425	12	84%
Demolitions	2,059					0	2,059	884	1,057	2,196	137	48%
Owners Receipts	(813)					0	(813)	(78)	(77)	(380)	433	20%
Community Care - Sheltered Lounge Upgrades	100					0	100	17	21	75	(25)	28%
Community Care - Warden Call Replacement	150					0	150	0	0	0	(150)	
<b>Capital Expenditure 2013/14</b>	<b>20,239</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,239</b>	<b>8,358</b>	<b>10,022</b>	<b>21,002</b>	<b>763</b>	<b>48%</b>
<b>Capital Resources 2013/14</b>												
<b>Expenditure Funded from Borrowing</b>	<b>13,465</b>					<b>0</b>	<b>13,465</b>	<b>7,169</b>	<b>8,474</b>	<b>13,465</b>		
<b>Capital Receipts:-</b>												
Council House Sales	2,062					0	2,062	459	718	1,395		
Land Sales	1,400					0	1,400	223	223	1,262		
Sale of Last in Block	800					0	800	507	607	900		
	<b>17,727</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,727</b>	<b>8,358</b>	<b>10,022</b>	<b>17,022</b>		
<b>Capital Expenditure as % of Capital Resources</b>	<b>114%</b>						<b>114%</b>			<b>123%</b>		

### BUILDINGS & PROPERTY CAPITAL MONITORING 2013/14 - EDUCATION

Nature of Expenditure	Approved Budget 2013/14 £'000	2013/14 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
Whitfield Primary School		116				116	116	(82)	(81)	116
West End Primary School	10						10	(48)	(38)	10
Balgarthno	1,663	306				306	1,969	1,098	1,248	1,969
Furniture-Whitfield, West End & Balgarthno	352	78				78	430	192	192	430
Harris Academy Refurbishment	3,060	154				154	3,214	441	450	3,214
Less Scottish Govt Capital Grant	(2,268)					0	(2,268)			(2,268)
Coldside - New Primary & Community Facilities	680	12				12	692		3	692
Menzieshill - New Primary & Community Facilities	780	10				10	790	8	15	790
Strathmartine Campus	250	50				50	300	21	33	300
Kingspark						0	0	3	3	0
Kingspark Additional Classrooms		10				10	10	(16)	(16)	10
Forthill PS - Modular Classroom			100		103	203	203	123	126	203
(Less Forthill Out of School Club Funding)			(50)			(50)	(50)			(50)
Eastern Primary School transfer to Grove Academy					68	68	68	68	68	68
Decanting Harris & Refurbishment Rockwell	61	193		115	949	1,257	1,318	965	1,136	1,318
Primary School Refurbishments (Glebelands, Clepington, St Mary's RC)	500				2	2	502	330	365	502
Barnhill Primary - Extension	1,300				127	127	1,427	78	157	1,427
Child & Adolescent Mental Health Facility - Dudhope	450				36	36	486			486
Structural Improvements	100				(80)	(80)	20	16	16	20
Kitchen Improvements	50				(50)	(50)	0			0
Replacement Heating Systems	150				105	105	255	255	280	255
Roof Coverings - Various	350				(64)	(64)	286	46	92	286
School Improvements & Upgrades	325	266			(421)	(155)	170	170	111	170
Curriculum Improvements	150				(150)	(150)	0			0
Window Replacement	250				(23)	(23)	227	227	268	227
Upgrade Toilets	100					0	100	99	106	100
Electrical Upgrades	400				(378)	(378)	22	2	3	22
<b>Total</b>	<b>8,713</b>	<b>1,195</b>	<b>50</b>	<b>115</b>	<b>224</b>	<b>1,584</b>	<b>10,297</b>	<b>3,996</b>	<b>4,537</b>	<b>10,297</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2013/14 - SOCIAL WORK

Nature of Expenditure	Approved Budget 2013/14 £'000	2013/14 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
Learning Disabilities - Upgrade of Wellgate Centre	205	2				2	207	13	23	207
Learning Disabilities - Upgrade of Whitetop Centre	1,242			(1,192)		(1,192)	50		21	50
Elmgrove House Replacement (partnership with Communities Scotland)	372	130			(16)	114	486	486	486	486
Property Upgrades	100				4	4	104	7	6	104
Skill and Respite Services Accommodation - Mackinnon Centre	50	411				411	461	397	410	461
Bruce Street Family Support Service	100			(100)		(100)				
The Elms Renovation	285	15			21	36	321	283	305	321
Rankine Street Boiler		22				22	22	1	1	22
Dudhope Castle IT and other expenditure		101				101	101	4	4	101
Provision of Accommodation for Adults with Learning Disabilities	250			(250)		(250)				
Oakland's Roof		6				6	6	4	5	6
Craigie House Replacement	125						125	3	3	125
<b>Total</b>	<b>2,729</b>	<b>687</b>	<b>0</b>	<b>(1,542)</b>	<b>9</b>	<b>(846)</b>	<b>1,883</b>	<b>1,198</b>	<b>1,264</b>	<b>1,883</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2013/14 - CITY DEVELOPMENT

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £'000
<b>Industry/Business</b>										
Acquisition of Land/Buildings		119				119	119			119
Industrial Estates Improvements	100						100			100
Business Loan	50						50			50
Overgate Development - Purchase of Properties		600			(332)	268	268	268	268	268
DERL - Refurbishment of Recycling Facility	4,940	300				300	5,240	4,600	4,600	5,240
<b>Administrative Buildings</b>										
Dundee House						0	0	(444)	(444)	0
<b>Other Expenditure</b>										
Allan Street Car Park & Associated Road Works	6	181			38	219	225	212	225	225
Shopping Parade Improvements	100				68	68	168	52	61	168
Demolition of Surplus Properties	1,303	175			12	187	1,490	202	199	1,490
Whitfield Life Services Building	4,517	506				506	5,023	2,659	3,313	5,023
(Less NHS Contribution)		(155)	(569)			(724)	(724)	(155)	(155)	(724)
(Less VDLF Capital Receipts)	(232)					0	(232)			(232)
Lochee Regeneration	2,548				(2,548)	(2,548)	0			0
National Housing Trust Phase 1 & 2	1,500			(1,500)		(1,500)	0			
V&A at Dundee	3,159		876			(1,453)	1,706	784	813	1,706
(Less Scottish Government Capital Grant)	(3,159)		(341)			1,988	(1,171)			(1,171)
(Less Scottish Government General Capital Grant)			(535)			(535)	(535)	(535)		(535)
Central Waterfront	15,532		741		320	1,061	16,593	10,422	10,917	16,593
Less External Funding	(7,242)		(1,619)			(1,619)	(8,861)	(2,945)	(3,335)	(8,861)
Less Contribution From Capital Fund	(2,519)		1,144			1,144	(1,375)	(1,375)	(1,375)	(1,375)
Dundee Railway Station Concourse	2,035				40	40	2,075	475	809	2,075
(Less External Funding)	(649)					0	(649)	(475)	(539)	(649)
City Square Environmental Improvements	1,350					0	1,350	1,096	1,143	1,350
City Square Office Alterations		300			820	1,120	1,120	16	21	1,120
Auto Meter Reading Technology		7				7	7	1	1	7
<b>Total</b>	<b>23,339</b>	<b>2,033</b>	<b>(303)</b>	<b>(1,500)</b>	<b>(1,582)</b>	<b>(1,352)</b>	<b>21,987</b>	<b>14,858</b>	<b>16,532</b>	<b>21,987</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2013/14 - LEISURE & CULTURE

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £'000
New Swimming Pool	35	951	2,041		(38)	2,954	2,989	2,261	2,328	2,989
McManus Galleries Restoration & Development Project						0	0	14	14	
Dick McTaggart - Gymnastics Centre		19	204			223	223	188	202	223
<b>Libraries</b>										
Libraries	50					0	50	18	19	50
Central Library - Control System Upgrade	75			(75)		(75)	0			
Lochee Leisure & Library Boiler Replacement	175	165				165	340	341	347	340
<b>Culture</b>										
Caird Hall - Ashton Hall & Foyer	180					0	180	118	125	180
Caird Hall - Kitchen	35					0	35			35
<b>Sports Centres</b>										
Leisure Centre Improvements	50	40				40	90		7	90
Lynch Sports Centre Roof	90	6		(50)		(44)	46	31	39	46
DISC - External Façade & Lighting	150					0	150		1	150
Lochee Leisure Centre - Family Changing Areas		120				120	120			120
<b>Other Leisure &amp; Culture Properties</b>										
Wildlife Centre Office/Bothy		20				20	20			20
Caird Park Golf Course/Camperdown Park & House Feasibility Studies	100	47				47	147	8	16	147
Roof Replacement/Improvement Programme	197			(197)		(197)	0			
Heating & Ventilation Systems	100						100	3		100
<b>Total</b>	<b>1,237</b>	<b>1,368</b>	<b>2,245</b>	<b>(322)</b>	<b>(38)</b>	<b>3,253</b>	<b>4,490</b>	<b>2,982</b>	<b>3,098</b>	<b>4,490</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2013/14 - ENVIRONMENT

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
Creation of Operational Sub-Depots	1,150	112			(835)	(723)	427	141	144	427
Redevelopment of Environment Dept Headquarters									1	
Lochee Park Toilet Facilities - DCS		79			(50)	29	29	29	29	29
Baxter Park Toilets	40	3			(18)	(15)	25	23	23	25
Barnhill Cemetery Bothy		10			(10)	0				
<b>Total</b>	<b>1,190</b>	<b>204</b>			<b>(913)</b>	<b>(709)</b>	<b>481</b>	<b>193</b>	<b>197</b>	<b>481</b>

### BUILDINGS & PROPERTY CAPITAL MONITORING 2013/14 - CHIEF EXECUTIVE CORPORATE SERVICES

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
Procurement Purchase to Payment System		10				10	10			10
Disabled Access	50				(10)	(10)	40			40
Health & Safety Works	300				(102)	(102)	198			198
Energy - Spend to Save	200					0	200			200
<b>Community Centres</b>										
Community Facilities at Blackness Library	238	4			10	14	252	254	261	252
Community Facilities at Arthursstone Library	495	1				1	496	3	28	496
Finmill Community Centre & Library Refurbishment	233	16				16	249	119	146	249
Douglas Community Centre Refurbishment	100	183				183	283	140	223	283
Review of Community Facilities in The Ferry	100			(96)		(96)	4	4	4	4
Community Centres	100	57				57	157	1	12	157
The Corner - Access To Building		19				19	19	2	2	19
Kirkton Community Centre - Heating	120	(6)				(6)	114	116	122	114
Kirkton Community Centre - Lift Access	100			(100)		(100)				
<b>DCA/Dundee Ice Arena</b>										
DCA	45	(19)		(26)		(45)				
DCA - Upgrade of Chillers	165			(165)		(165)				
Dundee Ice Arena	380	(9)				(9)	371	151	165	371
<b>Total</b>	<b>2,626</b>	<b>256</b>		<b>(387)</b>	<b>(102)</b>	<b>(233)</b>	<b>2,393</b>	<b>790</b>	<b>963</b>	<b>2,393</b>

## OPEN SPACE CAPITAL MONITORING 2013/14

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
<b>Cemeteries</b>										
Headstone Safety Programme	60	22				22	82	3	3	82
Birkhill Cemetery Extension	349	(33)				(33)	316	135	135	316
Pitkerro Grove Cemetery		20				20	20	2	2	20
General Infrastructure Improvements	50	58				58	108			108
Cemeteries - General								22	22	22
<b>Parks &amp; Open Space</b>										
Parks Master Plan	40	57		(40)		17	57	21	37	57
Environmental/Paths for All	65	1	57			58	123			123
(Less External Funding)			(57)			(57)	(57)			(57)
Camperdown Country Park - Development Plan		19				19	19	16	16	19
Environmental Improvements Parks & Open Spaces	370	18		(70)		(52)	318	38	38	318
(Less External Funding)	(50)					0	(50)			(50)
Playgrounds Improvements	50	15			5	20	70	11	11	70
Allotment Security	30	5				5	35			35
Riverside Nature Park	50					0	50			50
Riverside Landfill Site						0	0	20	31	31
Air Quality Monitoring Equipment	10					0	10			10
Contaminated Land	100					0	100			100
DISC - Replacement of Pitches						0	0	(7)		0
<b>Sports Facilities</b>										
Tennis Court Multi Use Upgrades	95					0	95	42	53	95
(Less External Funding)	(25)					0	(25)			(25)
Dawson Park Coaching & Cricket Upgrades	105			(105)		(105)	0			0
(Less External Funding)	(40)			40		40	0			0
<b>Recycling &amp; Waste Management</b>										
Purchase of Bins	100					0	100			100
Purchase of Skips	30					0	30			30
Recycling Initiatives (Dry Waste and Food)	300					0	300			300
<b>Total</b>	<b>1,689</b>	<b>182</b>		<b>(175)</b>	<b>5</b>	<b>12</b>	<b>1,701</b>	<b>303</b>	<b>348</b>	<b>1,754</b>

## ROADS INFRASTRUCTURE CAPITAL MONITORING 2013/14

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
<b>Road Schemes/Minor Schemes</b>										
Road Safety Measures	150				(30)	(30)	120	4	4	120
Pedestrian Crossings / Traffic Lights	100				(30)	(30)	70	58	58	70
Footpaths	600					0	600	226	336	600
Unadopted Footpaths	500					0	500	88	82	500
Cycling, Walking & Safer Streets	154				(30)	(30)	124	15	20	124
(Less Scottish Government Capital Grant)	(154)				30	30	(124)	0		(124)
<b>Community Regeneration Projects</b>										
Lochee		224	400		2,048	2,672	2,672	132	139	2,672
(Less Capital Receipt - Sale of Site)			(400)			(400)	(400)	(132)	(140)	(400)
Whitfield		10				10	10	10	10	10
Hilltown		9				9	9		0	9
<b>Accepted Practices</b>										
Street Lighting Renewal	1,140					0	1,140	686	832	1,140
Road Reconstructions / Recycling	2,400				(220)	(220)	2,180	1,282	1,397	2,180
Bridge Assessment & Work Programme	200		247			247	447	272	272	447
(Less Sustran Funding)			(247)			(247)	(247)	(247)	(247)	(247)
Regional Transport Partnership	400	97			(90)	7	407	(45)	(45)	407
Seabraes Pedestrian Bridge	1,630				922	922	2,552	102	105	2,552
(Less Scottish Enterprise Funding)					(20)	(20)	(20)			(20)
(Less VDLF Funding)					(352)	(352)	(352)	(102)	(105)	(352)
Coastal Protection Works	1,200	63		(1,180)	310	(807)	393	14	28	393
(Less Scottish Govt Capital Grant - CWSS)					(30)	(30)	(30)			(30)
Council Roads and Footpaths - Other	600					0	600	126	152	600
Whitfield Spine Road	111				(111)	(111)	0		0	
Linlathen Bridge East - Historic Scotland Grant						0	0	11	11	0
<b>Vacant &amp; Derelict Land Fund</b>										
2008/09 to 2012/13 Capital Programme		479			(372)	107	107	6	4	107
(Less Scottish Govt Capital Grant)		(459)			352	(107)	(107)	(6)	(4)	(107)
(Less Scottish Enterprise - Seabraes)		(20)			20	0	0			0
2013/14 Capital Programme	1,073					0	1,073			1,073
(Less Scottish Govt Capital Grant)	(1,073)					0	(1,073)			(1,073)
<b>Total</b>	<b>9,031</b>	<b>403</b>		<b>(1,180)</b>	<b>2,397</b>	<b>1,620</b>	<b>10,651</b>	<b>2,500</b>	<b>2,909</b>	<b>10,651</b>



## VEHICLE FLEET CAPITAL MONITORING 2013/14

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
<b>Environment</b>										
Purchase of Vehicles & Equipment	1,150	198	110			308	1,458	330	472	1,437
Capital Receipts			(110)			(110)	(110)	(89)	(110)	(89)
Electric Vehicles Charging Points - 2012/13 Additional award			70			70	70	48	76	70
(Less Scottish Government-Additional Funding 2012/13)			(70)			(70)	(70)			(70)
(Less Scottish Government Funding 2012/13)						0	0	117	117	0
Electric Vehicle Infrastructure - 2013/14			40			40	40			40
(Less Scottish Govt Funding 2013/14)			(40)			(40)	(40)			(40)
Minibus Replacement (former L&C )	20					0	20			20
Minibus Replacement (Education)	40					0	40			40
<b>Total</b>	<b>1,210</b>	<b>198</b>				<b>198</b>	<b>1,408</b>	<b>406</b>	<b>555</b>	<b>1,408</b>

## INFORMATION &amp; COMMUNICATIONS TECHNOLOGY CAPITAL MONITORING 2013/14

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £000
<b>Education</b>										
Purchase of Computers	570						570	293	304	570
<b>Corporate Services</b>										
Purchase of Computer Equipment	850	(54)				(54)	796	234	300	796
Telephony, Data Network & Infrastructure (to support mobile/flexible working)	350	48				48	398	114	179	398
Corporate Electronic Records Data Management System		18				18	18	14	14	18
<b>Total</b>	<b>1,770</b>	<b>12</b>				<b>12</b>	<b>1,782</b>	<b>655</b>	<b>797</b>	<b>1,782</b>

## HOUSING HRA CAPITAL MONITORING 2013/14

Nature of Expenditure	Approved Budget 2013/14 £'000	2012/13 Carry Forward £'000	Budget Adjust. £'000	C/f into Future Years £'000	Virements £'000	Total Adjusts £'000	Revised Budget 2013/14 £'000	Expenditure to 30/09/2013 £'000	Expenditure to 31/10/2013 £'000	Projected Outturn 2013/14 £'000
<b>Free From Serious Disrepair</b>										
Roof Replacement	100					0	100	148	168	257
Roughcast Renewal	510					0	510	259	312	584
Windows	50					0	50	17	17	27
<b>Energy Efficiency</b>										
External Insulation and Cavity	5,530					0	5,530	671	892	4,752
Heating, Kitchens and Bathrooms & Showers	8,829					0	8,829	4,461	5,128	9,486
Ferrolli & Ravenheart boiler replacement	50					0	50	103	112	200
Renewable Initiatives	0					0	0	0	0	0
<b>Modern Facilities and Services</b>										
Individual Shower Programme	50					0	50	13	13	15
<b>Healthy, Safe and Secure</b>										
Fire Detection	0					0	0	0	0	0
Door Entry System	2,381					0	2,381	1,089	1,484	2,381
Security & Stair Lighting	50					0	50	0	0	10
<b>Increase Supply of Council Housing</b>										
New Builds	413					0	413	357	357	425
Demolitions	2,059					0	2,059	884	1,057	2,196
<b>Miscellaneous</b>										
Fees	10					0	10	100	103	224
Disabled Adaptations	750					0	750	317	435	750
Major Adaptations						0	0	0	0	0
Paths and Footpaths for SHQS	20						20	0	0	0
Buttars Place Improvements							0	0	0	0
Owner Receipts	(813)					0	(813)	(78)	(77)	(380)
<b>Community Care</b>										
Sheltered Lounge Upgrades	100					0	100	17	21	75
Warden Call Replacements	150					0	150	0	0	0
<b>Housing HRA Total</b>	<b>20,239</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,239</b>	<b>8,358</b>	<b>10,022</b>	<b>21,002</b>

**CAPITAL MONITORING 2013/14****Summary of Changes to Approved Budget 2013/14**

(and effect on future years)

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b>Adjustments:</b>				
<b>BUILDINGS AND PROPERTY</b>				
<u>Education</u>				
Carry forward from 2012/13	1,195			
Decanting Harris & Refurb Rockwell Temp Classrooms - transfer budget	115			(115)
Decanting Harris & Refurb Rockwell Temp Classrooms - virement Corp Services H&S	11	90	121	
Decanting Harris & Refurb Rockwell Toilets - virement Corp Services H&S	50			
Forthill Modular Classroom - additional net expenditure	50			
Barnhill PS - virement Whitfield Spine Road (Roads Infra) & Elmgrove Hse (Social Wk)	127			
CALMS - virement from H&S Corporate Services	36			
<u>Social Work</u>				
Carry forward from 2012/13	687			
Bruce St Family Support Service - slippage into future years	(100)	50	50	
Provision Accommodation Adults Learning Difficulties - slip budget each year until 17/18	(250)			
Learning Disabilities - Whitetop - slippage into future year	(1,192)	1,192		
Elmgrove House - virement Barnhill PS - Education	(16)			
Property Upgrades - virement Creation Sub Depots Environment (Buildings & Property)	25			
<u>City Developments</u>				
Carry forward from 2012/13	2,033			
Whitfield Life Services - Contribution from NHS Tayside	(569)			
Central Waterfront - reprofiling of income and expenditure	266			
Lochee Regeneration - virement of Roads Infrastructure	(2,548)			
Central Waterfront - Railway Station - virement Reg Transport Partnership (Roads Infra)	40			
Allan Street Car Park - virement from Swimming Pool (Leisure & Culture)	38			
National Housing Trust - slippage into 2014/15	(1,500)	1,500		
Shopping Parades - virement from Environment	68			
City Square East Wing - virement Sub-Depots Environment (Buildings & Property)	820			
<u>Leisure &amp; Culture</u>				
Carry forward from 2012/13	1,368			
New Swimming Pool - additional expenditure & virement to Allan St Car Park	2,003			
Dick McTaggart - additional expenditure	204			
Roof Replacement - slippage into 2014/15	(197)	197		
Lynch Sports Centre Roof	(50)	50		
Central Library - Control System Upgrade	(75)	75		
<u>Environment</u>				
Carry forward from 2012/13	204			
Lochee Park Toilets - virement to Shopping Parades City Development (Buildings & Property)	(50)			
Baxter Park Toilets - virement to Shopping Parades City Development (Buildings & Property)	(18)			
Creation Sub Depots - virement to City Sq East Wing City Development (Buildings & Property)	(820)			
Creation Sub-Depots - virement Property Upgrades Social Work (Buildings & Property)	(25)			
<u>Chief Executive Corporate Services</u>				
Carry forward from 2012/13	256			
H&S virement to Decanting Harris & Refurb Rockwell Temp Classrooms	(11)	(90)	(121)	
H&S virement to Decanting Harris & Rockwell Refurb Toilets	(50)			
H&S virement to Mill O Mains - Open Space	(5)			
DCA- slippage into 2014/15	(191)	191		
Kirkton Community Centre - slippage into 2014/15	(100)	100		
Community Facilities in the Ferry	(96)	96		
H & S virement to CALMS Education (Buildings & Property)	(36)			
<b>OPEN SPACE</b>				
Carry forward from 2012/13	182			
Playground Improvements-Mill O Mains-virement Corp Services H&S	5			
Parks & Open Spaces - slippage into 2014/15	(40)	40		
Environmental Improvements Parks & Open Spaces - slippage into 2014/15	(70)	70		
Dawson Park Coaching & Cricket Upgrade - slippage into 2014/15	(65)	65		
<b>ROADS INFRASTRUCTURE</b>				
Carry forward from 2012/13	403			
Lochee Regeneration - virement from B&P City Development Lochee Regen	2,548			
Regional Transport Partnership - virement to Railway Station City Development	(40)			
Coastal Protection Works - slippage into 2014/15	(1,180)	1,180		
Whitfield Spine Road - vire to Barnhill PS Education (Buildings & Property)	(111)			
<b>VEHICLE FLEET</b>				
Carry forward from 2012/13	198			
<b>INFORMATION &amp; COMMUNICATIONS TECHNOLOGY</b>				
Carry forward from 2012/13	12			
	<b>3,539</b>	<b>4,806</b>	<b>50</b>	<b>(115)</b>

**REPORT TO: POLICY & RESOURCES COMMITTEE – 09 DECEMBER 2013**

**REPORT ON: TREASURY MANAGEMENT ACTIVITY 2013/2014  
(SIX MONTHS TO 30 SEPTEMBER 2013)**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 497-2013**

**1 PURPOSE OF REPORT**

To review the Treasury Management activities for the period 1 April 2013 to 30 September 2013.

**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 4.50%, assumed when setting the 2013/2014 Revenue Budget, will be achieved. A saving of £769,000 is projected as at 31<sup>st</sup> October 2013 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 April 2013, 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 at the beginning of each new financial year.

At the same meeting on 22 April 2013, the Policy and Resources Committee approved the Council's Treasury Management Strategy for 2013/2014.

This monitoring report covers the Treasury Management activity over the first six months of 2013/2014 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</u>
02/04/2013	2,500,000.00	3.23	14.50	15/07/2027
02/04/2013	2,500,000.00	4.01	50.00	15/01/2063
10/04/2013	<u>5,000,000.00</u>	3.84	49.50	15/08/2062
	<u>10,000,000.00</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</u> <u>£m</u>	<u>Highest Amount Outstanding</u> <u>£m</u>	<u>Borrowing Position at End of Month</u> <u>£m</u>	<u>Interest Rate Range</u> <u>%</u>
April 2013	16.3	20.8	16.3	0.27
May	11.1	16.3	11.1	No market loans taken
June	11.1	14.6	14.6	0.30 to 0.32
July	14.6	17.6	17.6	0.29
August	17.6	21.6	21.6	0.39
September	19.6	24.6	24.6	0.35 to 0.45

The Council's Treasury Strategy document provides that the amount of the overall borrowing which may be outstanding by way of variable rate exposure should be no greater than 30% of net borrowings included in Prudential Code Indicators (circa £128m).

## 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 2013 shows:

<u>Month</u>	<u>Highest Daily Amount Lent</u> <u>£m</u>	<u>Lending Position at End of Month</u> <u>£m</u>	<u>Interest Rate Range</u> <u>%</u>
April 2013	20.5	3.9	0.40 to 0.87
May	20.1	5.4	0.40 to 0.60
June	14.6	6.1	0.43 to 0.80
July	24.5	9.7	0.44 to 0.80
August	20.1	5.6	0.44 to 0.80
September	19.4	4.0	0.43 to 0.80

All of these lendings were in compliance with the Treasury Policy Statement.

## 7 **OUTLOOK FOR THE SECOND HALF OF 2013/2014**

Further borrowing will be required in the second half of the year to fund the capital programme. This will be a combination of PWLB and shorter term market loans 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**

**02 DECEMBER 2013**

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

Adoption of Revised CIPFA Treasury Management Code of Practice 2011

**Upper limit for variable rate exposure**

%

Net principal re variable rate borrowing/investments	2013/14	<input type="text" value="30"/>
	2014/15	<input type="text" value="30"/>
	2015/16	<input type="text" value="30"/>
	2016/17	<input type="text" value="30"/>
Net principal re fixed rate borrowing/investments	2013/14	<input type="text" value="100"/>
	2014/15	<input type="text" value="100"/>
	2015/16	<input type="text" value="100"/>
	2016/17	<input type="text" value="100"/>

**Actual external debt (£000)** 2012/13

**Maturity structure of fixed rate borrowing 2013/14**

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>
2013/14	489,000	79,000	568,000
2014/15	500,000	77,000	577,000
2015/16	521,000	75,000	596,000
2016/17	530,000	73,000	603,000
<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>
2013/14	464,000	79,000	543,000
2014/15	475,000	77,000	552,000
2015/16	496,000	75,000	571,000
2016/17	505,000	73,000	578,000

## PRUDENTIAL CODE INDICATORS - PRUDENTIAL INDICATORS

<b>Capital Expenditure</b>	<b>Non-HRA £000</b>	<b>HRA £000</b>	<b>Total £000</b>
2013/14	70,945	17,727	88,672
2014/15	79,114	15,106	94,220
2015/16	87,819	14,609	102,428
2016/17	45,828	16,742	62,570

<b>Ratio of financing costs to net revenue stream</b>	<b>Non-HRA %</b>	<b>HRA %</b>
2013/14	7.5	44.7
2014/15	7.6	43.8
2015/16	7.6	43.3
2016/17	7.5	41.3

<b>Net Borrowing Requirement</b>	<b>b/f 1 April £000</b>	<b>c/f 31 March £000</b>	<b>In Year £000</b>
2013/14	419,122	462,000	42,878
2014/15	462,000	473,000	11,000
2015/16	473,000	494,000	21,000



	2016/17	494,000	503,000	9,000
<b>Capital Financing Requirement</b>	General Services £000	HRA £000	Total £000	Annual Movement £000
2013/14	322,000	178,000	500,000	39,641
2014/15	335,000	177,000	512,000	12,000
2015/16	357,000	176,000	533,000	21,000
2016/17	364,000	178,000	542,000	9,000

**Difference between Net Borrowing and  
Capital Financing Requirement**

	Total £000
2013/14	38,000
2014/15	39,000
2015/16	39,000
2016/17	39,000

**Incremental Impact of Capital Investment  
Decisions**

	Increase in Council Tax (Band D) per annum (£)	Increase in average housing rent per week (£)
2013/14	0.75	0.33
2014/15	1.44	(0.11)
2015/16	0.45	(0.16)
2016/17	0.00	0.21

**REPORT TO: POLICY AND RESOURCES COMMITTEE - 9 DECEMBER 2013**

**REPORT ON: VOLUNTARY EARLY RETIREMENT, PHASED RETIREMENT OR WIND DOWN SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS**

**REPORT BY: DIRECTOR OF EDUCATION**

**REPORT NO: 517- 2013**

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to seek approval for a voluntary early retirement scheme for teachers and associated professionals, to take effect from the end of academic session 2013-2014.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Committee:-

- i. approves the voluntary early retirement scheme for teaching staff aged 55 years and over with effect from 17 August 2014, as outlined in Section 4 and the appendix to this report;
- ii. approves the additional encouragement for teaching staff, who meet the criteria, to be considered for phased retirement or winding down; and
- iii. in agreeing to the scheme notes that the Director of Education will maintain teacher numbers in line with pupil numbers.

## **3.0 FINANCIAL IMPLICATIONS**

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

3.2 As teachers will be required to sign a settlement agreement (COT/3) before accepting any offer, the Council will arrange for a firm of solicitors to give free independent legal advice to employees. The cost to the council for this advice will be in the region of £50 per employee.

## 4.0 MAIN TEXT

- 4.1 There are currently 242 teachers who will be aged 55 - 60 years, as at 17 August 2014. This proposal would allow teachers in this age group, in all sectors, to apply for consideration for voluntary early retirement. Teachers within this age band can also be considered for phased retirement and winding down employment opportunities where they meet the criteria of the scheme. The breakdown is as follows:

Age	Numbers
55	49
56	46
57	59
58	55
59	33
<b>Total</b>	<b>242</b>

- 4.2 Staff aged 55 but under 57 would be offered a service enhancement of 3 years. Staff aged 57 but under 59 would be offered up to 3 years' enhancement. Staff aged 59 and over would be offered 1 year's enhancement, provided that in all cases this would not result in an accrual of service of more than 40 years.
- 4.3 Staff aged 60 or over, are entitled to retire. However, consideration may be given to members of staff aged 60 but under 65, to grant up to a maximum of 1 year's enhancement, where a saving would result for the Department. There are 83 members of teaching staff in this category.
- 4.4 There are currently 9 members of staff aged over 65 who are not entitled to any enhancement of pension. It is proposed to offer statutory redundancy payment to these members of staff.
- 4.4 There are currently 78 members of staff who are subject to conservation or assimilation of salary ie. receiving a salary in excess of the current grade for their post. This is broken down as follows -

Lifetime conservation = 39

Assimilation = 33

Cash conservation = 6

Discussions are currently ongoing at both national and local levels to look at options for managing the situation regarding those on lifetime conservation, including offering VER schemes, allowing individuals who meet the criteria to leave to be replaced by a teacher on the appropriate point of the scale, if required.

- 4.5 There are currently 6 members of teaching staff aged 55 or over who are not in the pension scheme and therefore cannot apply for early retirement with enhancement. It is therefore proposed that applications will be sought from them and if approved they will be allowed to leave and receive a statutory redundancy payment.
- 4.6 This proposal would help the department in the following ways:
- increase the employment opportunities for probationers and those in the early years of their teaching career, and help Dundee City Council to be seen as an employer of choice

- assist with the release of teachers who have lifetime conservation or assimilation of salary, following the adoption of 'A Teaching Profession for the 21st Century' and those on cash conserved salaries following job sizing changes
- assist with the SNCT agreement to seek alternative options for members of staff affected by the removal of lifetime conservation with effect from 2016
- reduce the overall salary budget for the department
- assist in restructuring the workforce to cope with the demands of curricular change
- help reduce absence statistics
- actively seeking applications from members of staff who meet the SPPA criteria for phased retirement or winding down, will allow staff to make informed decisions as they end their careers without leaving employment completely
- improve the morale of the workforce
- assist the Director of Education meet the budgetary savings required in the following years; to maximise these savings, all promoted vacancies would, in the first instance, be ring-fenced to current Dundee City Council teachers

4.7 Approval of applications for early retirement, phased retirement and winding down would be subject to the voluntary early retirement scheme principles outlined in the attached Appendix 1. A summary of the qualifying principles for phased retirement and wind down is attached as Appendix 2.

4.8 Early retirals would be effective from 17 August 2013.

4.9 Phased retirements and wind down arrangements would be effective from 17 August 2013.

## **5.0 POLICY IMPLICATIONS**

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. An Equality Impact Assessment has been carried out and is attached to this report.

## **6.0 CONSULTATION**

6.1 This report has been subject to consultation with the Chief Executive, Director of Corporate Services and the Head of Democratic and Legal Services. The trade unions have also been consulted.

## **7.0 BACKGROUND PAPERS**

7.1 None.

Michael Wood  
Director of Education

MW/JR/DD  
20 November 2013

## **EDUCATION DEPARTMENT - VOLUNTARY EARLY RETIREMENT, PHASED RETIREMENT OR WIND DOWN SCHEME FOR TEACHING STAFF AND ASSOCIATED PROFESSIONALS**

### **SCHEME PRINCIPLES**

This scheme is open to all permanent teachers who meet the age of 55+ years as at 17 August 2013, and who are members of the Scottish Teachers Superannuation Scheme.

All early retirements granted will be effective from the end of session 2013-14.

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

<b>Age at 17 August 2014</b>	<b>Enhancement</b>
55 but under 57	3 years' enhancement
57 but under 59	Up to 3 years' maximum enhancement
59 and over	1 year's enhancement

Staff who are not members of the Scottish Teachers Superannuation Scheme - no enhancement is available but staff will receive a statutory redundancy payment.

In considering applications, the following principles will apply:-

- There is no entitlement to early retirement/redundancy and it may not be possible to approve all applications, particularly in sector/subject shortage areas.
- Teacher numbers will be maintained in line with pupil numbers.
- Approval will be subject to the retention of sufficient numbers of employees with the necessary skills to maintain an effective level of service to the citizens of Dundee and all decisions will also take account of the financial implications for the Council.
- Applications for phased retirement and wind down will be subject to the exigencies of maintaining service delivery
- Individual applications will be subject to consideration by - Head of Education, Corporate Business Support Manager. Finance Manager and recommendations subject to final approval by the Director of Education. The Chief Executive, Director of Corporate Services and the Head of Democratic and Legal Services will also be consulted.
- The timeline for the scheme is attached as Appendix 3.

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

### **Phased retirement (drawing part of your benefits whilst continuing in service)**

After age 55 you can apply to take phased retirement without having a break in employment provided that your pensionable salary reduces by 20% or more for at least 12 months. The Scottish Public Pensions Agency (SPPA) recommend full discussion with your employer prior to commencing this arrangement. The maximum you can draw under this arrangement is 75% of your total benefits. The remaining service, which must be at least 25%, will be aggregated with any subsequent service you accrue and used in future benefit calculations. The benefits taken will be actuarially reduced if they are taken before your Normal Pension Age (NPA).

Full information regarding the Scottish Teachers Superannuation Scheme is available via the SPPA website:

[http://www.sppa.gov.uk/index.php?option=com\\_content&view=category&layout=blog&id=54&Itemid=106](http://www.sppa.gov.uk/index.php?option=com_content&view=category&layout=blog&id=54&Itemid=106)

### **Winding Down employment**

Winding Down is a phased retirement option which, if you are approaching retirement age, offers you the opportunity to continue in employment on a part-time basis whilst protecting your overall final retirement benefits entitlement.

You cannot elect to enter winding down employment earlier than four years prior to NPA. You must have a minimum of 25 years teaching service (i.e. you must have had a contract to teach for at least 25 years) of which the last 10 years must have been full-time service. A break of up to five years will count as qualifying service, but will not count in the calculation for benefits.

Winding Down incorporates the following features:

- Your part-time contract must be set at a minimum of 0.5 full time equivalent, but could be for more
- Each year you serve under the part-time contract will count as one full year for pension benefits calculation purposes
- Your pensionable salary, for benefit calculation purposes, will be the salary that you received in the 365 days prior to entering winding down employment, index linked to actual point of retirement
- Your contributions and your employers contributions will be based on actual salary and it is possible for Winding Down contracts to end after your NPA subject to a maximum length of four years.

**Appendix 3**

<b>DATE</b>	<b>ACTION</b>
9 December 2013	Committee Decision
11 December 2013	E-mail issued to all teaching staff aged 55 or over at 17 August 2014
10 January 2014	Closing date for teaching staff to make an application to receive an estimate for retirement, wind down or phased retirement
31 January 2014	Staff who have applied for an estimate will receive the information by this date
14 February 2014	Closing date for teaching staff to ask for application to be taken to next stage
7 March 2014	Management for confirm decisions
14 March 2014	Final date for teaching staff to accept offer
28 March 2014	Final paperwork issued to those teaching staff who have accepted offer eg. compromise agreement
17 April 2014	Preferred date for pension paperwork to be in hands of Scottish Public Pensions Agency to guarantee payment in August 2014
17 May 2014	Final date for pensions paperwork to be in hands of Scottish Public Pensions Agency to guarantee payment in August 2014
17 August 2014	Retiral date
18 August 2014	Start date for phased retirement or wind down contracts

***Appendix 1***

**DUNDEE CITY COUNCIL**Equality and Diversity Rapid Impact Assessment ToolPart 1

Date of assessment <b>20 November 2013</b>	Title of document being assessed <b>Early Retirement Scheme for Teachers and Associated Professionals</b>
1) This is a new policy, procedure, strategy or practice being assessed (If yes please tick box) <input type="checkbox"/>	This is an existing policy, procedure, strategy or practice being assessed? (If yes please tick box) <input checked="" type="checkbox"/>
2) Please give a brief description of the policy, procedure, strategy or practice being assessed.	<b>Voluntary Early Retirement Scheme for Teaching Staff and Associated Professionals</b>
3) What is the intended outcome of this policy, procedure, strategy or practice?	<b>To effect savings for the Council</b>
4) Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	<b>88-2011 507-2011 447-2012</b>
5) Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.	<b>No</b>
6) Please give details of council officer involvement in this assessment. (E.g. names of officers consulted, dates of meetings etc)	<b>Director of Education and department senior management team</b>
7) Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy?  (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	<b>No - there is no adverse impact on any protected community members</b>



**Part 2**

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People with a disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Part 3

<p>1) <b>Have any positive impacts been identified?</b> (We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>If yes please give further details  <b>Yes - the scheme allows employees aged 55 years and over to make a choice and ask to retire early.</b></p>
<p>2) <b>Have any negative impacts been identified?</b> (Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>If yes please give further details  <b>No</b></p>
<p>3) <b>What action is proposed to overcome any negative impacts?</b> E.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. see Good Practice on DCC equalities web page</p>	<p>Please give further details  <b>N/A</b></p>
<p>4) <b>Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</b> (If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>If yes please give further details  <b>N/A</b></p>
<p>5) <b>Has a 'Full' Equality Impact Assessment been recommended?</b> (If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required) Seek advice from your departmental Equality Champion.</p>	<p>If yes please give further details  <b>No</b></p>
<p>6) <b>How will the policy be monitored?</b> (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	<p>Please give details  <b>The Director of Education will monitor the effects by assessing recruitment, selection and complaints received.</b></p>

**Part 4****Name of Department or Partnership:****Type of Document**

Human Resource Policy	<input checked="" type="checkbox"/>
General Policy	<input type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Contact Information**

Manager Responsible		Author Responsible	
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Email	michael.wood@dundeecity.gov.uk	Email	janet.robertson@dundeecity.gov.uk

Signature of author of the policy:		Date 20 November 2013
Signature of Director/Head of Service area:		Date 20 November 2013
Name of Director / Head of Service:	Michael Wood	
Date of next policy review:	N/A	

**REPORT TO: POLICY & RESOURCES COMMITTEE – 9 DECEMBER 2013**

**REPORT ON: OPERATING MODEL REDESIGN – DEBT RECOVERY**

**REPORT BY: DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 511-2013**

## **1.0 PURPOSE OF REPORT**

1.1 This report reviews the progress of the Operating Model Redesign project on debt recovery and recommends a more consolidated customer-based approach.

## **2.0 RECOMMENDATIONS**

It is recommended that:-

2.1 A corporate debt team be established from 1 January, 2014 bringing together staff from Revenues, Sales Ledger and Housing (per para 7.7). Appendix 2 is a high level outline of how the new team will initially be organised.

2.2 The new team be led by a Senior Officer whose current post of Finance and Corporate Services Manager in the Housing Department is re-designated Head of Corporate Debt and Welfare Reform and transferred to Corporate Services, reporting to the Director of Corporate Services . The Head of Human Resources and Chief Executive will grade the post and take forward the necessary establishment change.

2.3 A project team is established (seconded from staff included in 2.1 above) to implement the consolidation of all debts as well as undertaking an option appraisal of systems, with the ultimate aim of establishing a single system with single point of contact for all debtors.

2.4 Centralisation of Sales Ledger invoice input will be explored to reduce the lead time between services being delivered and invoices raised. This may require a transfer of resources from departments to the Corporate Debt Team.

2.5 Debt prioritisation policy shown at Appendix 1 is agreed.

2.6 Phase 2 of this project should be commenced by November 2014 to consider whether further centralisation of other associated services would provide a joined up and holistic approach to debt management for the Council.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 It is estimated that the implementation of a corporate debt team will deliver net savings of between £200,000 and £400,000 over the next 2 years through the achievement of more efficient debt management arrangements.

## **4.0 BACKGROUND**

4.1 The Director of Corporate Services was remitted to review the Council's operating model and pursue early opportunities to redesign the delivery of support functions, with an overriding remit to explore providing corporate services more centrally than is currently the case.

4.2 Due to the complex nature of debt recovery, a Corporate Debt Management Forum was set up in 2010 with representatives from the major recovery areas and welfare rights. This group has met regularly and has agreed a Corporate Debt Recovery Policy and the

creation of a debt portal which provides a basic overview of a debtor's debt position across the Council.

- 4.3 Whilst the Corporate Debt Forum has improved communication and sharing of information, the Council's Debt Collection functions are still very much silo-based and ring-fenced resulting in high levels of duplication. This group has not managed to reach consensus on how a more centralised debt function could be delivered.
- 4.4 Effective debt management is crucial, so the Council needs an effective policy and robust processes to support the maximisation of debt collection in an efficient manner, whilst engaging early to support debtors who are struggling financially and preventing homelessness whenever possible.. Debt is a topical and high profile area in the current economic climate of high personal borrowing. Previous internal audit reports have noted the absence of a corporate approach to collecting debt, i.e. we have no authority-wide procedures in place over the corporate debt recovery of income due to the Council.
- 4.5 The Dundee Partnership Single Outcome Agreement 2012-17 also recognises the need to move towards early intervention & prevention, employ greater collaboration and increased access to money and debt advice. The Council Plan 2012-17 incorporates a corporate outcome to have one contact for customers where possible. In respect of debt recovery, the council does not have a corporate or co-ordinated customer centred approach, therefore needs to consider how the debt recovery function across the Council can be reshaped to reflect this.

## 5.0 CURRENT OPERATING MODEL

- 5.1 The main debt recovery sections operate four separate IT systems and are based in three separate divisions as detailed below -

<b>Dept /Division</b>	<b>Debt Type</b>	<b>System</b>
Housing	Rent Arrears Former Tenant Arrears Others	In house Rent recovery system Authority Financials
Corp Servs / Corporate Finance	Sales Ledger	Authority Financials
Corp Servs / Revenues	Community Charge Council Tax Housing Benefit O/Ps Non Domestic Rates	In House Debt Recovery Northgate / In-house Debt Recovery system

- 5.2 Process mapping of each debt type was undertaken, which showed that the bulk of the process was basically the same, especially when the emphasis is to set up and maintain repayment plans. When debts progress to the final legal and/or diligence stages these steps in the process are very different.
- 5.3 The mapping also showed that for similar processes, the Council is creating and maintaining multiple records, having multiple contacts with customers as well as competing against itself in the recovery of monies. The debtor is left to negotiate separate payments if they have multiple debts and no priority is set as to which should be paid first.

## 6.0 OTHER LOCAL AUTHORITIES

- 6.1 A survey of other Scottish local authorities was undertaken and this showed that there was no consistent position to debt recovery. There was substantial interest in moving to a corporate debt recovery model, however a full model as recommended is yet to be implemented.

## 7.0 PROPOSED OPERATING MODEL

- 7.1 The proposed future operating model is about taking a more debtor focussed approach i.e. serving our customers better by earlier identification of genuine hardship, providing advice on benefits to prevent the situation worsening and enabling a single sustainable repayment arrangement to be made with our debtors. This approach can only be fully realised by the centralisation of the debt recovery functions i.e. reviewing all the debt that an individual owes the Council and collecting it corporately e.g. in one payment. This would shift the emphasis to type of debtor from type of debt. It would also highlight a customer's overall indebtedness to the Council and allow more proactive intervention.
- 7.2 Single contacts with customers would produce a better service to them whilst at the same time being more efficient for the Council eliminating high levels of duplication detailed in paras 7.4 - 7.7. There would be more and better opportunities to make a single sustainable repayment arrangement with our debtors.
- 7.3 Below is a summary of the main advantages and disadvantages of setting up a centralised corporate debt recovery team -

ADVANTAGES	DISADVANTAGES
1 point of contact if a customer has debt(s)	Can create lack of responsibility in source debt
1 payment for debtor	Different terms and conditions – grades, shifts ,etc
1 point of contact for elected members/ext agencies	Pressure from source depts if corporate priority affects PIs on individual debt types
Reduces duplication – records, documentation, phone work, payments, etc	Additional training & knowledge needed
Data shared and up to date	
Move towards 1 computer system	
1 set of policies & procedures	
Reduction in diligence / legal action if sustainable arrgts	
Reduction in staff nos	
Reduction in office space required	

- 7.4 Council Tax and Housing Rents deal only or predominantly with personal customers. A sample check of debtors visited by Housing and Revenues staff showed a substantial level of mutual debtors who could have benefitted from a more co-ordinated approach.

Visit Type	No. of Visits	% Duplication
Rent Recovery	186	100
Council Tax Debt	163	88

- 7.5 Sales Ledger and Non Domestic Rates (NDR) deal with all the Council's business customers. Again it seems there would be benefits from consolidating the approach to

these. A sample check showed overlap to be less than 40%.

- 7.6 Subsequently a more in depth analysis of all debtors in July 2013 showed that the greatest overlap of debtors remains between rent and council tax (54%), nearly half of all debtors have more than 1 debt type outstanding (48%) and that our total number of individual debtors will reduce by at least 26% when debts are consolidated.
- 7.7 There are nearly 62 staff with an associated cost of circa £1.6M deployed within each of the areas to deal with debt recovery and related functions. The two tables below show details by debt area and the split of managers to staff –

	FTE	Cost
Revenues	34.97	£715,867
Housing	20	£427,732
Sales Ledger	6.6	£140,574
<b>Total</b>	<b>61.57</b>	<b>£1,284,173</b>
<b>On costs - est 25%</b>		£321,043
<b>Gross Costs</b>		<b>£1,605,216</b>

	FTE	Cost
<b>Managers/Supervisors</b>	13.95	£406,692
<b>Recovery Officers</b>	47.62	£877,481
<b>Total</b>	<b>61.57</b>	<b>£1,284,173</b>
<b>On costs - est 25%</b>		£321,043
<b>Gross Costs</b>		<b>£1,605,216</b>

- 7.8 Based on all of the data provided earlier, there are a number of ways you can calculate how many staff should be required for a new centralised debt recovery function, but caution should be taken as we move forward as the impacts of Welfare Reform are seeing increasing numbers of debtors, especially in relation to outstanding rents.
- 7.9 It is, therefore, proposed that staffing can be reduced by between 15% and 25% over a 24 month period, resulting in a saving of between £240,783 and £401,304. This would mean a reduction in staffing numbers of between 9.5 and 15.5.
- 7.10 Within the new structure, the highest level of savings could be met by a reduction in the management/supervisory grades as by consolidating various teams this means less management/supervisory roles are needed. This is a typical outcome under centralisation.
- 7.11 The reduction in staffing is hoped to be met mainly by a targeted VER/VR scheme. There are approximately 22 staff at various grades in the current teams that may be eligible for VER. To ensure there is no reduction in particular skillsets it is possible to phase the reduction over a 12 – 24 month period, which would also allow for turnover if a targeted VER scheme was not taken up at the levels needed.
- 7.12 The overall management of the new centralised debt recovery function would sit within the Corporate Services department as it is clear that the majority of staff and workload is presently in that department. It is essential that a senior officer is appointed to head up this new corporate debt team who has expertise in this area, a clear vision on how it should be delivered and experience of delivering change.
- 7.13 Research has shown that the longer the lead time between a service being provided and the charge being raised the more difficult it is to collect payment. There is variation across departments currently and in some instances billing is delayed because it is only part of a person's job and may not be seen as a main priority. This could be addressed by centralising this function so the timeliness of billing was understood and controlled. It would also provide an opportunity to look at what was being billed on a corporate basis and determine whether there was more scope for prepayment of services to avoid any subsequent collection issues.
- 7.14 Phase 2 of the project should review any other outstanding debts collected by the Council e.g. parking charges and other fines, etc as well as other associated services to

ascertain whether further centralisation would provide a more joined up and holistic approach for debtors and the Council.

## **8.0 IMPLEMENTATION**

- 8.1 The senior officer in charge of the new Corporate Debt Team should be in post by 1 January, 2014.
- 8.2 It is suggested above that all the teams be brought together from 1 January, 2014 or as soon as practically possible, then commence the merging and cross system training as an interim stage. This should release the staff to become the Implementation Team.
- 8.3 The Implementation team should be established by 1 February, 2014 and start working on the following high level action plan, although the new senior officer is likely to have completed / considered items a) to d) before the team is in place-
- a) Project/action plan draft
  - b) Categorisation of debt / prioritisation agreed
  - c) Agree a process to deal with cross system arrangements
  - d) Interim use of systems in Debt Management (i.e. how best to manage all debt related information)
  - e) All recovery processes reviewed and mapped across the council
  - f) A generic process map for debt recovery developed
  - g) Exceptions to the generic process map have been documented
  - h) Corporate Debt Recovery procedures documented
  - i) Appraise IT systems currently used and recommend best or new option for corporate debt
  - j) Legal recovery procedures documented
  - k) Review of external debt management i.e. Sheriff Officers, Credit checking, Tracing Agents, etc
  - l) Debt write off procedures reviewed and amended
  - m) Analysis of existing debt (required to inform performance monitoring and target setting)
  - n) Communication – internally & externally

## **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 issues in this regard to report on.

## **10.0 CONSULTATIONS**

- 10.1 The Chief Executive, Director of Housing, Head of Human Resources and Head of Democratic & Legal Services have been consulted on this report

## **11.0 BACKGROUND PAPERS**

None

Marjory Stewart

Director of Corporate Services

11/11/2013



## DEBT PRIORITISATION

### What is a priority debt?

- In general terms it is not the value of the debt that makes it priority, but what a creditor can do to recover the money.
- Debt can be classed as a priority where non payment can result in the customer:
  - being disconnected
  - losing their home
  - losing essential goods or services
  - being imprisoned

Examples of main priority debts are:

- Rent or mortgage arrears
  - Council tax arrears
  - Gas and electricity arrears
  - Maintenance arrears including Child Support
  - Income tax or VAT arrears
- Customers are not always aware of the consequences of failure to pay, and tend to pay whichever creditors are the most forceful.
  - Dundee City Council recovery staff will work with Welfare Rights and external agencies to increase customer awareness of priority debts, and how to obtain appropriate help and advice to assist wherever possible.

### What service will customers with multiple debts receive?

- When arranging payment plans or considering recovery action, it is essential that our staff have details of all relevant debts.
- The Debt Portal assists greatly in checking DCC account balances in our main service areas, until a consolidated Council solution is in place.
- Customers will be treated as individuals; cases can be complex therefore rather than a 'one size fits all' approach we require to work with the customer to help address multiple debts and achieve a sustainable outcome.
- Many customers with multiple debts will not have considered the total debts they owe to DCC or other organisations, and may be unaware of the full extent of the issue and worried how to cope.
- Customers should be referred to Welfare Rights or another money advice agency where assistance is required.

### Allocation of Monies Collected To Outstanding Debts

- Current and on going liability is the prime priority for allocation of payments before considering arrears.
- All current liability for Housing Rent, Council Tax, Sales Ledger and Fines must therefore be checked and verified, prior to setting up instalment plans for arrears.
- Current rent and Council Tax payments will be prioritised over all other payments.
- Only excess monies will be allocated towards arrears and on a pro rata basis.
- Discussion should take place with the customer to establish the most efficient and convenient method of payment for both current accounts and arrears, suggesting direct debit where the customer has an appropriate bank account.

- Dundee City Council debts will be allocated where possible as follows:
  - The officer making a payment arrangement will be responsible for checking the Citizen account and with other recovery sections if required, to establish current and ongoing liability, and confirm the overall arrears position.
  - It is recognised this will make the arrangement process longer (and possibly complicated) until IT systems are fully developed, however customer service will improve.
  - From the total funds available from the customer, payments for arrears will be allocated on a pro rata basis depending on the level of outstanding debt in the various streams.
  - Defaults will have to be managed within existing systems until a corporate IT solution is in place.
  - Regardless of the share allocated, recovery action will be suspended by all relevant teams, provided the customer maintains their arrangement.
- Any direct request from a customer asking for a different distribution of their payment should be considered and acknowledged.

## INTERIM STRUCTURE



### WELFARE REFORM DUNDEE COMMUNITY CONNECT FORCE

This team will work in Dundee's most deprived communities to provide face-to-face advice services and raise awareness of the implications of welfare reform encouraging people to seek help before they reach crisis point.

### CORPORATE DEBT – TEAM A

This team is responsible for Council Tax, Community Charge, HB Overpayments and rent debts as well as another debts where the debtor has more than 1 debt type (called consolidated debts).

### CORPORATE DEBT – IMPLEMENTATION

This team will comprise of staff seconded to work full time on the implementation of the changes from this report.

### CORPORATE DEBT - TEAM B

This team is responsible for sales ledger, non domestic rates, rent accounting any other miscellaneous tasks from the centralisation of all the teams.

**REPORT TO: POLICY & RESOURCES COMMITTEE – 9 DECEMBER 2013**  
**REPORT ON: REVIEW OF CONTRACT CAR HIRE SCHEME.**  
**REPORT BY: DIRECTOR OF CORPORATE SERVICES**  
**REPORT NO: 496-2013**

**1 PURPOSE OF REPORT**

This report reviews the current arrangements of the Contract Car Hire Scheme.

**2 RECOMMENDATIONS**

It is recommended that effective from 1 January 2014:-

- i) The maximum subsidy is reduced from £108 to £80 per month and mileage rate paid at minimum HMRC rates per fuel type irrespective of engine size.
- ii) Insurance excesses are amended
- iii) Any extensions to contracts are in line with current scheme guidelines rather than original ones.

**3 FINANCIAL IMPLICATIONS**

Savings will be spread over three years as they will be aligned to ending of existing contracts and will amount to £38,000 pa in Year 3 when all contracts have been renewed.

**4 BACKGROUND**

The Contract Care Hire scheme was revised in November 2011 as a result of a report to Policy & Resources Committee on 12 September 2011 (Corporate Review of Staff Travel).

This introduced a new travel hierarchy and amended the minimum entry requirement to the Contract Car Hire Scheme from 1,500 to 2,500 miles. It also introduced CO2 emission limits on vehicles.

Leased car mileage allowances are currently paid to employees based on the latest rates advised by HMRC. These are shown in Appendix 1. An analysis of leased car mileage allowances claimed by DCC employees in financial year 2012/13 showed that approximately 576,000 miles were claimed for during the year.

The total cost of this arrangement was £405,000 per annum with an average cost per mile of 70p based on all participants during the year.

**5 PROPOSED AMENDMENTS**

- a) It is proposed to reduce the maximum subsidy from £108 to £80 per month and introduce standard leased mileage rates for each fuel type.

Any savings would be phased in over period of length of existing leases (ie. up to 3 years). The break-even point against casual mileage of 45p would be 3000 miles. It is not proposed to change the minimum 2500 mile criteria at this time.

- b) Under the conditions of the current scheme subsidy paid can be increased by up to a further £50 per month for employees where their job requires them to transport specialised equipment every day (or as circumstances dictate) or to be 'on call' or 'on stand by' every day and respond to emergencies. It is proposed to maintain this.

c) The current insurance excesses are:

- i £50 for all drivers not referred to in ii, iii or iv below.
- ii £90 for those persons aged 25 who hold a provisional licence or who have not held a full licence for more than 12 months.
- iii £90 for 21 to 25 years old drivers.
- iv £125 for drivers aged under 21 years.
- v £250 for non-family drivers.

These excesses are charged for own fault accidents only.

Employees currently contribute the full cost of insurance premium and this has more than covered the cost of damage above current excesses.

It is proposed to raise excesses to i £100, ii & iii £150, iv & v £250. Based on current experience this will save £2,000 per annum

d) The scheme currently restricts vehicles to CO<sub>2</sub> emissions of 129 or below. In order to further promote use of lower emissions it was considered linking the mileage rates to CO<sub>2</sub> emissions however this becomes unduly complicated because of the HMRC fuel advisory note and the possibility of profit elements. It is therefore suggested that the minimum HMRC rate should be paid for each.

Petrol	15p
Diesel	12p
LPG	10p

e) At the end of a lease an employee will currently ask for an extension with the current vehicle. This extension is granted on the basis of the rules of the scheme when the original lease was signed. It is proposed this should be changed to reflect the current rules of the scheme when extension is agreed.

## 8 **POLICY IMPLICATIONS**

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

There are no major issues. The change to the lower mileage rate should encourage staff to choose more fuel efficient cars in future.

## 9 **CONSULTATION**

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

## 10 **BACKGROUND PAPERS**

None.

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

**18 NOVEMBER 2013**

**Company Cars – Advisory Fuel Rates from 1 June 2013**

<b>Engine Size</b>	<b>Petrol</b>	<b>LPG</b>	<b>Diesel</b>
1400cc or less	15p	10p	
1401cc to 2000cc	17p	12p	
Over 2000cc	25p	18p	
1600cc or less			12p
1601cc to 2000cc			14p
Over 2000cc			18p

**REPORT TO: POLICY & RESOURCES COMMITTEE– 9th DECEMBER 2013**

**REPORT ON: REVIEW OF RECYCLING CENTRE PROVISION**

**REPORT BY: DIRECTOR OF ENVIRONMENT**

**REPORT NO: 518-2013**

## **1.0 PURPOSE OF REPORT**

- 1.1 To advise on the outcome of the recent review of the city's Recycling Centre provision and to note the Director of Environment's view that the current level of Recycling Centre provision via the two sites at Baldovie and Riverside is appropriate.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that committee agree note the Director of Environment's view that the current level of Recycling Centre provision via the two sites at Baldovie and Riverside is appropriate.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The Director of Corporate Services advises that the savings remain as previously reported, £264,000 for 2013/14 and £231,000 for a full financial year.

## **4.0 BACKGROUND**

- 4.1 Reference is made to Article III of the Policy & Resources committee of 14 February 2013, which approved changes to the provision of Recycling Centres in establishing the 2013/14 revenue budget. These changes included the closure of the Marchbanks Recycling Centre along with amendments to the materials that could be collected at the remaining Centres at Baldovie and Riverside. As a consequence of these changes revenue budget savings of £316,000 per annum were realised and were an important contribution towards the overall required saving of £6.451m in 2013/14.
- 4.2 Further reference is made to Article XII of the Policy and Resources committee of 19 August 2013, which removed the restrictions on the materials that could be collected at both Baldovie and Riverside. This amendment was estimated to cost an additional £85,000 in a full financial year. Since September, both sites have operated successfully on this basis.
- 4.3 At the meeting on 19 August the Director of the Environment undertook to review the closure of the Marchbanks Recycling Centre and to report back on this matter.
- 4.4 In reviewing the decision to close the Marchbanks Recycling Centre, a number of factors have been considered including:
- review of alternative provision;
  - impact on recycling performance
  - impact on residual waste
  - impact on fly-tipping activity; and
  - comparison of Recycling Centre provision with other city authorities.

## 5.0 FINDINGS

### 5.1 Review of Alternative Provision

- 5.1.1 Since Marchbanks was opened as the city's 3<sup>rd</sup> Recycling Centre in 2003, the range of Recycling Points, Neighbourhood Recycling Points and kerbside collection services that have been extended significantly across the city. The changes that have taken place are detailed in the following table:

Service Type	Extent of Service in 2003	Extent of Service in 2013	Increase
Blue Bins	29,390	37,000	7,610
Brown Bins	7,900	39,000	31,100
Food-waste bins	0	3,000	3,000
Burgundy bins	0	3,000	3,000
Recycling boxes	0	17,000	17,000
RP's	24	44	20
NRP's	0	74	74

The range of services shown above, provide householders with both kerb-side and bring-to facilities in addition to the services that are provided at the Recycling Centres.

- 5.1.2 Following the closure of Marchbanks an additional four NRP's were provided in the area immediately surrounding the facility to support local residents in their recycling efforts. The additional NRP's are located at Brantwood Avenue, Cedarwood Drive, Liff Road and Lorne Street. These facilities allow the recycling of glass, plastics and aluminium and have been well used by local residents.
- 5.1.3 In addition to the above, a bulky mixed waste service is provided to residents within the city. A similar service is available within the comparison city authorities and the costs of these services are as follows:

Authority	Cost of Service	Comments
Glasgow	Free	Charge made for heavy items
Dundee	£12.50	Up to 6 items
Edinburgh	£19.99	Up to 6 items
Aberdeen	£23.00	Up to 4 items

### 5.2 Impact on Recycling Performance

- 5.2.1 During the period April to September 2013, positive increases in recycled materials collected at the Recycling Centres as follows:
- Paper and card +8%
  - Electrical Goods (WEE) +13%
  - Glass +4%
- 5.2.2 Timber recyclate has reduced slightly by 3% whilst there has been a more significant reduction of 20% in the metals collected. This reduction in metals is considered to be a direct consequence of the higher market value of scrap metals.
- 5.2.3 Whilst the overall tonnage of composted material has reduced in comparison with the same period last year, it is broadly in line with previous years. The volume of compost produced is heavily influenced by weather and growing patterns and the first three



months of this year saw a significant reduction due to a very slow start to the growing season in April and May.

<b>April - October</b>	<b>Overall Composting Tonnage</b>	<b>Composting %</b>
2008-2009	6,791	11%
2009-2010	6,588	11%
2010-2011	6,544	11%
2011-2012	6,081	12%
2012-2013	7,457	14%
2013-2014	6,257	13%

- 5.2.4 Overall there has been an increasing trend in the percentage of recyclate collected at the Recycling Centres and this trend has remained unaffected by the closure of Marchbanks.

<b>April - October</b>	<b>Recycling Centre % Recycling</b>
2008-2009	36%
2009-2010	37%
2010-2011	31%
2011-2012	46%
2012-2013	51%
2013-2014	53%

### **5.3 Impact on Residual Waste**

- 5.3.1 There has been no increase in the amount of residual waste as a result of the closure of the site at Marchbanks. As shown in the table below, the general trend over the period assessed has been that of a decrease in the amount of residual waste arisings and a further decrease has been recorded this year.

<b>April - October</b>	<b>DCC Total Residual Waste Arisings (tonnes)</b>	<b>Recycling Centre Residual Waste Arisings (tonnes)</b>
2008-2009	37,609	7,123
2009-2010	34,742	6,331
2010-2011	37,297	6,982
2011-2012	31,122	5,145
2012-2013	36,020	4,613
2013-2014	33,938	3,330

### **5.4 Impact on Fly Tipping Activity**

- 5.4.1 Incidents of fly-tipping within the city are recorded from both 'reactive' and 'proactive' sources. 'Reactive' incidents are those which have been notified via a call or complaint from the public or other establishment / group and 'proactive' are instances of fly-tipping that are noted and dealt with by operational staff in the course of their duties.
- 5.4.2 During the first three months after the closure the number of fly tipping incidents recorded reduced by almost 9%. This pattern reversed in the following three months. The overall difference between April - September 2012 and April - September 2013 has showed a minor increase in incidents of 0.5%. These minor changes are not considered to be linked to the changes in Recycling Centre provision but rather are due to natural statistical variation.

## 5.5 Comparison with Other Authorities

5.5.1 Information obtained from the National List of Household Waste Recycling Centres shows that there is a widerange in the number of sites that local authorities operate within their areas. This ranges from 1 site per 4,020 citizens in Orkney to 1 site per 162,880 in Edinburgh. Such a wide variation exists due to area size and geography and local authorities position their Recycling Centres in order to best minimise the distance their site users require to travel to use them.A comparison with the other main city authorities has been made and is shown in the following table:

Authority	Number of Recycling Centres	Provision per head of population
Aberdeen	4	1 per 56,242
Dundee	2	1 per 73,900
Glasgow	4	1 per 148,770
Edinburgh	3	1 per 160,880
<b>Average</b>	<b>3.25</b>	<b>1 per 109,948</b>

5.5.2 A similar comparison was carried out looking at Recycling Centre provision per Hectare of geographic area per authority:

Authority	Number of Recycling Centres	Provision per Ha of Geographic Area
Dundee	2	1 per 3,000
Glasgow	4	1 per 4,375
Aberdeen	4	1 per 4,650
Edinburgh	3	1 per 8,767
<b>Average</b>	<b>3.25</b>	<b>1 per 5,198</b>

5.5.3 A further similar geographical study was carried out on the maximum required travel distance to a Recycling Centre for the comparison city authorities above and the results of this are as follows:

Authority	Number of Recycling Centres	Maximum Travel Distance
Dundee	2	5.4 miles
Glasgow	4	6.9 miles
Edinburgh	3	9.2 miles
Aberdeen	4	10 miles
<b>Average</b>	<b>3.25</b>	<b>7.9 miles</b>

## 6.0 CONCLUSIONS

6.1 The review of the provision of Recycling Centres in Dundee has confirmed that in terms of provision Dundee is well served in comparison with the main city authorities in Scotland. The maximum travel distance for any resident to their nearest Recycling Centre is 5.4 miles in comparison with the average maximum distance of 7.9 miles. In addition, 95% of current users travel for less than 20 minutes to their nearest Recycling Centre.

6.2 There has been little or no impact of the changes introduced in April and amended in September on recycling performance, fly tipping and residual waste collected. In addition to the two Recycling Centres, a network of Recycling Points and Neighbourhood Recycling Points has been developed across the city, this continues to be developed and expanded where appropriate.

6.3 Taking into consideration all of the above factors it is concluded that the current provision of two Recycling Centres is appropriate for the city and compares well with the provision made by other city authorities.

## **7.0 POLICY IMPLICATIONS**

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

## **8.0 CONSULTATIONS**

8.1 The Chief Executive, Director of Corporate Services, Head of Democratic and Legal Services have all been consulted in relation to this report.

## **7.0 BACKGROUND PAPERS**

7.1 None

Ken Laing  
**Director of Environment**

Kenny Kerr  
**Head of Environmental Protection**

25<sup>th</sup> November 2013

**REPORT TO: POLICY AND RESOURCES COMMITTEE –09DECEMBER2013**

**REPORT ON: TENDER FOR THE SUPPLY OF INTERNAL AUDIT SERVICES**

**REPORT BY: CHIEF INTERNAL AUDITOR**

**REPORT NO: 519-2013**

## **1.0 PURPOSE OF REPORT**

This report seeks Committee approval for acceptance of the recommended tender for the Supply of Internal Audit Services.

## **2.0 RECOMMENDATIONS**

To support the Chief Internal Auditor in the delivery of the Council's Internal Audit Service, it is recommended that Members approve the acceptance of the tender by PwC for the supply of Internal Audit Services under a co-sourcing arrangement. The contract will initially be for a period of eighteen months with an option for the Council to potentially extend for up to a further two, twelve month periods.

## **3.0 FINANCIAL IMPLICATIONS**

**3.1** The total value of this tender over the first eighteen months is estimated to be of the order of £90,000 and thereafter to be of the order of £60,000 per annum if the options to extend are taken forward. The Director of Corporate Services has confirmed that funding to deliver this co-sourcing arrangement is available from within the overall budget for the Internal Audit Service.

## **4.0 MAIN TEXT**

**4.1** The Council's Internal Audit Service is an independent, objective assurance activity designed to add value and improve the Council's operations. The core of internal audit work is to provide a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes of the organisation. Report No.282-2013 submitted to the Scrutiny Committee in June 2013 provided details of the 2013/14 Internal Audit Plan which included a summary of the proposed portfolio of reviews to be undertaken. Members were advised at this time that in line with best practice there should be sufficient breadth and depth of work contained within the plan. This is in part to enable the Chief Internal Auditor fulfil the requirement to provide the annual opinion on the adequacy of the Council's overall control environment.

**4.2** Due to the nature of internal audit work being extremely varied and requiring a diverse portfolio of skills and technical competencies, it has become evident in recent years that there is a shortfall between the in-house resources available and the total resources required to deliver the Plan. This has resulted in the Chief Internal Auditor utilising existing frameworks for third parties to undertake specific reviews contained within the Plan. In compiling the 2013/14 Internal Audit Plan it was recognised that using both internal and external resources would continue to be pivotal to the delivery of the Council's Internal Audit Service for the foreseeable future.

**4.3** Given this a decision was taken to advertise a tender for the supply of internal audit services to the Council through the Public Contracts Scotland portal. Whilst this proposed co-sourcing arrangement to supplement the current in-house provision is key to the delivery of the planned internal audit work it will also bring added benefit in terms of specialist skills and advice, and skills transfer to in-house staff. The invitation to tender, which was also advertised through the official European public contract opportunities website, was issued as a single-stage open tender procedure and was open to all interested parties meeting the minimum qualification requirements.

**4.4** Subject to approval, the effective commencement date for this contract will be 1 January 2014. The contract will, initially be for a period of eighteen months. There is however an

option for the Council to potentially extend for up to a further two, twelve month periods. The total value of this tender over the first eighteen months is estimated to be of the order of £90,000 and thereafter to be of the order of £60,000 per annum if the options to extend are taken forward.

**4.5** For this particular supply the principle upon which returns were evaluated and the contract is to be awarded is based on the most economically advantageous tender on a mix of price and quality. The quality/price split applied was 60%/40%. In terms of the quality element this was further assessed on the basis of technical merit (40%), added value (10%) and skills transfer (10%).

**4.6** In terms of this supply a total seven tenders were returned. Following the initial evaluation, four of the bidders were invited to make a presentation to officers. The Director of Corporate Services as the Council's Section 95 Officer in conjunction with the Chief Internal Auditor and the Principal Internal Auditor were in attendance at the tender presentations. The method statements included in the tender submissions along with the tender evaluation presentations were assessed by officers in line with the contract evaluation criteria and on the basis of this it is proposed that the contract be awarded to PwC.

## **5.0 POLICY IMPLICATIONS**

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

## **6.0 CONSULTATIONS**

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

## **7.0 BACKGROUND PAPERS**

None

Sallie Dailly, Chief Internal Auditor

DATE: 25 November 2013

**REPORT TO: POLICY & RESOURCES COMMITTEE– 9 DECEMBER 2013**

**REPORT ON: SHORE TERRACE – FORMATION OF MEETING ROOMS & OFFICES**

**REPORT BY: DIRECTOR OF CITY DEVELOPMENT**

**REPORT NO: 520-2013**

## **1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to inform the Committee of the ambitions for improvements and additions to the conferencing facilities at Caird Hall and to seek approval for implementation of the first phase of these works.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee notes this report and approves the negotiated tender submitted by the Construction Division of the Environment Department for alteration works to the ground and first floors of the Shore Terrace building as set out in Section 5 of the report.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The Director of Corporate Services has confirmed that funding of £942,500 for the phase one works is available in the Capital Plan 2013/14.

## **4 BACKGROUND**

- 4.1 The Dundee Waterfront Regeneration and the V&A at Dundee project will significantly increase our attractiveness to potential visitors, as such it is expected that the number of visitors will grow substantially with the opening of such an international cultural asset within the city. It is, however, important that the city does not merely focus on leisure tourism, but also takes advantage of the opportunities for increased business tourism through attracting additional conferences and other business events to Dundee.
- 4.2 The main conference facility in the city is the Caird Hall and, while it is still a popular and attractive venue for business events, it does not have all of the amenities of a modern, purpose built conference centre and does not attract the level of major conferences which it once used to. In order to address this situation, the Caird Hall ideally needs;
- a Additional 'breakout' meeting facilities;
  - b A dedicated exhibition hall;
  - c Additional catering and hospitality facilities; and
  - d Dedicated administrative offices for event organisers.
- 4.3 While the redesign of City Square has improved its ability to accommodate temporary buildings/marquees for exhibition and/or catering facilities, further opportunities have been investigated for the provision of higher quality permanent spaces to address the above requirements.
- 4.4 In particular, the former Housing Department offices below the main Caird Hall auditorium offer considerable potential for re-use as flexible space which could be utilised temporarily by the Caird Hall when required for major events in a similar manner to the way Committee Rooms 1 to 4 are used at present.

- 4.5 A phased approach has been drawn up for the conversion of these former offices which seeks to match their implementation with the availability of financial resources and space within the building.
- 4.6 The first phase would see the creation of a series of new meeting rooms and offices on the ground and first floor of the Shore Terrace building. These rooms would be directly accessible from the Caird Hall by internal stairs and lift and would provide additional 'breakout' facilities and temporary administrative offices for conference organisers. This work can be carried out this financial year due to additional capital resources having been made available by the Scottish Government.
- 4.7 The first phase would also see the clearance of the remainder of the ground floor premises facing onto the newly improved Shore Terrace, which would then allow these to be marketed for new restaurant and other catering type uses later in 2014.
- 4.8 A second phase of works could then be brought forward at a later date which sought to provide a dedicated Exhibition Hall. This would clearly be dependent on the outcome of a review of all of the available space within the Caird Hall complex.

## **5 TENDER FOR PHASE ONE WORKS**

- 5.1 Given the need to expend the additional Scottish Government capital allocation this financial year, the Chief Executive has authorised that Phase One of the works be undertaken by the Environment Department's Construction Service on a negotiated basis. These works will comprise alterations to the redundant Housing Department offices at the first floor of Shore Terrace to form Meeting Rooms and Offices, together with the installation of a new lift.
- 5.2 The negotiated price for these works is £700,000 plus allowances for Furniture/IT/Removals (£132,000), Professional Services (£105,000) and Structural Engineering Services (£5,000) giving a total cost of £942,000. The Committee is requested to approve the total amount, including allowances, for this project.

## **6 POLICY IMPLICATIONS**

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

## **7 CONSULTATIONS**

- 7.1 The Chief Executive, the Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

## **8 BACKGROUND PAPERS**

- 8.1 None

Mike Galloway  
Director of City Development

MPG/MS

27 November 2013

Dundee City Council  
Dundee House  
Dundee